

# Investment-linked policy sub-funds

Semi-annual unaudited report for six months ended 31 December 2021.



**HSBC**  
Life



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## Fund Updates

### 1 July 2021 – 31 Dec 2021

#### 1. Changes to HSBC Insurance Singapore Equity Fund

From 1 December 2021, Schroder Investment Management (Singapore) Ltd (the "Manager") has changed Schroder Singapore Trust (the "Underlying Fund")'s benchmark from MSCI Singapore Free to Straits Times Index.

#### 2. Changes to HSBC Insurance Emerging Markets Bond Fund (SGD & USD)

From 25 October 2021, PIMCO Global Advisors (Ireland) Limited (the "Manager") has introduced a swing pricing mechanism to PIMCO Emerging Markets Bond Fund (the "Underlying Sub-Fund").

#### 3. Changes to HSBC Insurance Global Multi-Asset Fund

From 29 October 2021, following changes have been introduced to the Schroder International Selection Fund – Global Multi-Asset Income (the "Underlying Sub-Fund") which the ILP Sub-Fund invests into.

- The income target in the Underlying Sub-Fund's investment objective will change from 5% per annum to a range of 3% - 5% per annum.
- The volatility target will be removed from the Underlying Sub-Fund's investment objective.
- A new comparator benchmark made up of the following will be added: 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excluding CMBS & EMG 2% (USD).
- The Underlying Sub-Fund will incorporate binding environmental and/or social characteristic(s), within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR"). Details of the Underlying Sub-Fund's environmental and/or social characteristics and how it seeks to achieve them will be disclosed in the Underlying Sub-Fund's investment policy and under a new section called "Sustainability Criteria" in the Underlying Sub-Fund Characteristics section of the prospectus.

#### 4. Changes to HSBC Insurance Asia Equity Fund

From 30 July 2021, following changes have been made to the DWS Asia Premier Trust (the "Underlying Sub-Fund").

|                                 | Before the Effective Date         | From the Effective Date      |
|---------------------------------|-----------------------------------|------------------------------|
| The Underlying Sub-Fund         | DWS Asia Premier Trust            | iFAST-DWS Asia Premier Trust |
| The Underlying Sub-Fund Manager | DWS Investments Singapore Limited | iFAST Financial Pte.Ltd      |

DWS Investments Singapore Limited will be retiring as managers of the Underlying Sub-Fund, with iFAST Financial Pte. Ltd taking over as the New Underlying Sub-Fund Manager. iFAST Financial Pte.Ltd (the "**New Underlying Sub-Fund Manager**"), a company incorporated in Singapore whose registered office is at 10 Collyer Quay #26-01, Ocean Financial Centre Building, Singapore 049315. The New Underlying Sub-Fund Manager is licensed and regulated by the Monetary Authority of Singapore (the "**MAS**") to carry out fund management activities, and have been managing portfolios of capital market products on a discretionary basis since December 2016.

## 5. Changes to HSBC Insurance Premium Balanced Fund

From 30 July 2021, following changes have been made to the DWS Premier Select Trust (the "Underlying Sub-Fund").

|                                 | Before the Effective Date         | From the Effective Date        |
|---------------------------------|-----------------------------------|--------------------------------|
| The Underlying Sub-Fund         | DWS Premier Select Trust          | iFAST-DWS Premier Select Trust |
| The Underlying Sub-Fund Manager | DWS Investments Singapore Limited | iFAST Financial Pte.Ltd        |

DWS Investments Singapore Limited will be retiring as managers of the Underlying Sub-Fund, with iFAST Financial Pte. Ltd taking over as the New Underlying Sub-Fund Manager. iFAST Financial Pte.Ltd (the "**New Underlying Sub-Fund Manager**"), a company incorporated in Singapore whose registered office is at 10 Collyer Quay #26-01, Ocean Financial Centre Building, Singapore 049315. The New Underlying Sub-Fund Manager is licensed and regulated by the Monetary Authority of Singapore (the "**MAS**") to carry out fund management activities, and have been managing portfolios of capital market products on a discretionary basis since December 2016.

**Fund Performance Summary (SGD)**

|   | Cumulative   |              |               | Annualised    |               |
|---|--------------|--------------|---------------|---------------|---------------|
|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 3-Year<br>(%) |
| HSBC Insurance Asia Equity Fund                         | (3.03)       | (14.07)      | (11.61)       | 30.01         | 9.14          |
| Benchmark *   | (2.04)       | (12.96)      | (6.34)        | 37.55         | 11.21         |
| HSBC Insurance Asia Focused Income Fund                 | (1.65)       | (4.74)       | (4.97)        | 16.92         | 5.35          |
| The Fund has no benchmark                               |              |              |               |               |               |
| HSBC Insurance Asian Bond Fund                          | (3.82)       | (6.67)       | (7.97)        | 0.80          | 0.27          |
| Benchmark *   | (2.04)       | (2.04)       | (0.49)        | 14.24         | 4.54          |
| HSBC Insurance China Equity Fund                        | (4.16)       | (18.77)      | (12.64)       | 44.04         | 12.93         |
| Benchmark *   | (6.72)       | (22.90)      | (20.15)       | 23.78         | 7.37          |
| HSBC Insurance Chinese Equity Fund                      | (5.31)       | (19.32)      | (19.34)       | 33.44         | 10.09         |
| Benchmark *   | (6.62)       | (21.60)      | (18.54)       | 26.19         | 8.06          |
| HSBC Insurance Emerging Markets Equity Fund             | (3.65)       | (10.72)      | (3.61)        | 37.73         | 11.26         |
| Benchmark *   | (2.00)       | (9.03)       | (0.59)        | 35.07         | 10.54         |
| HSBC Insurance Ethical Global Equity Fund               | 2.98         | 0.09         | 10.21         | 31.81         | 9.61          |
| Benchmark *   | 6.63         | 6.68         | 20.78         | 59.14         | 16.75         |
| HSBC Insurance Ethical Global Sukuk Fund                | (1.19)       | (0.03)       | 1.46          | 16.00         | 5.07          |
| Benchmark *   | (0.57)       | 0.68         | 3.10          | 19.50         | 6.12          |
| HSBC Insurance Europe Dynamic Equity Fund               | 6.76         | 6.44         | 23.85         | 55.30         | 15.80         |
| Benchmark *   | 6.93         | 7.71         | 22.96         | 53.71         | 15.41         |
| HSBC Insurance Global Bond Fund                         | (0.27)       | (0.36)       | (3.40)        | 11.36         | 3.65          |
| Benchmark *   | 0.18         | 0.13         | (2.68)        | 12.56         | 4.02          |
| HSBC Insurance Global Emerging Markets Bond Fund        | (1.32)       | (2.09)       | (3.22)        | 9.90          | 3.20          |
| Benchmark *   | 0.02         | (0.52)       | (1.51)        | 19.32         | 6.06          |
| HSBC Insurance Global Emerging Markets Equity Fund      | (5.90)       | (12.74)      | (8.16)        | 52.97         | 15.22         |
| Benchmark *   | (2.00)       | (9.03)       | (0.59)        | 35.05         | 10.54         |
| HSBC Insurance Global Equity Fund                       | 5.19         | 6.53         | 21.99         | 78.29         | 21.26         |
| Benchmark *   | 7.02         | 8.07         | 24.26         | 78.29         | 21.26         |
| HSBC Insurance Global Sustainable Equity Portfolio Fund | 8.41         | 10.55        | 29.12         | 60.46         | 17.07         |
| Benchmark *   | 5.93         | 5.86         | 20.91         | 72.56         | 19.94         |
| HSBC Insurance Global Equity Volatility Focused Fund    | 5.90         | 5.41         | 11.93         | 53.74         | 15.42         |
| The Fund has no benchmark                               |              |              |               |               |               |
| HSBC Insurance Global High Income Bond Fund             | (1.36)       | (1.55)       | (1.37)        | 16.29         | 5.16          |
| The Fund has no benchmark                               |              |              |               |               |               |
| HSBC Insurance Global Multi-Asset Fund                  | 1.68         | 00.59        | 4.40          | 18.28         | 5.75          |
| The Fund has no benchmark                               |              |              |               |               |               |
| HSBC Insurance India Equity Fund                        | 0.72         | 14.38        | 30.69         | 44.50         | 13.06         |
| Benchmark *   | (0.35)       | 13.03        | 33.92         | 63.00         | 17.69         |

|  | 3-Mth<br>(%) | Cumulative   |               | Annualised    |               |
|--|--------------|--------------|---------------|---------------|---------------|
|  |              | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 3-Year<br>(%) |
| <b>HSBC Insurance Pacific Equity Fund</b>          | (2.30)       | (7.20)       | (2.30)        | 43.99         | 12.92         |
| <b>Benchmark *</b>                                 | (1.42)       | (8.71)       | (0.70)        | 41.22         | 12.19         |
| <b>HSBC Insurance Premium Balanced Fund</b>        | 1.22         | 1.38         | 2.33          | 21.00         | 6.56          |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance Singapore Bond Fund</b>          | (1.93)       | (3.19)       | (3.35)        | 3.92          | 1.29          |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance Singapore Equity Fund</b>        | (0.06)       | 0.92         | 11.40         | 12.67         | 4.06          |
| <b>Benchmark *</b>                                 | 0.16         | 1.14         | 12.52         | 16.10         | 5.10          |
| <b>HSBC Insurance US Equity Portfolio Fund</b>     | 6.82         | 7.73         | 33.78         | 79.87         | 21.62         |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance US Opportunities Equity Fund</b> | 3.75         | 3.69         | 16.19         | 114.24        | 28.91         |
| <b>Benchmark *</b>                                 | 10.10        | 11.95        | 28.46         | 133.80        | 32.72         |
| <b>HSBC Insurance World Selection 1 Fund</b>       | 0.71         | 0.20         | 0.66          | 15.12         | 4.81          |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance World Selection 2 Fund</b>       | 1.72         | 0.98         | 4.12          | 22.93         | 7.12          |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance World Selection 3 Fund</b>       | 3.07         | 2.19         | 9.03          | 35.41         | 10.63         |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance World Selection 4 Fund</b>       | 4.37         | 3.22         | 13.06         | 37.78         | 11.27         |
| The Fund has no benchmark                          |              |              |               |               |               |
| <b>HSBC Insurance World Selection 5 Fund</b>       | 5.17         | 4.27         | 15.51         | 50.70         | 14.65         |
| The Fund has no benchmark                          |              |              |               |               |               |

\* Refer to the respective funds for the benchmark used.



**Fund Performance Summary (USD)**

|  | 3-Mth<br>(%) | Cumulative<br>6-Mth<br>(%) | 1-Year<br>(%) | Annualised<br>3-Year<br>(%) | 3-Year<br>(%) |
|--|--------------|----------------------------|---------------|-----------------------------|---------------|
| <b>HSBC Insurance Europe Dynamic Equity Fund (USD)</b>               | 6.91         | 6.66                       | 24.02         | 57.27                       | 16.29         |
| <b>Benchmark *</b>   | 7.01         | 7.81                       | 22.97         | 56.63                       | 16.13         |
| <b>HSBC Insurance Global Emerging Markets Bond Fund (USD)</b>        | (1.33)       | (2.12)                     | (3.24)        | 11.78                       | 3.78          |
| <b>Benchmark *</b>   | 0.02         | (0.52)                     | (1.51)        | 19.32                       | 6.06          |
| <b>HSBC Insurance Global Emerging Markets Equity Fund (USD)</b>      | (5.06)       | (12.92)                    | (9.94)        | 54.65                       | 15.64         |
| <b>Benchmark *</b>   | (1.31)       | (9.30)                     | (2.54)        | 36.54                       | 10.94         |
| <b>HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)</b> | 8.64         | 11.03                      | 28.32         | 64.56                       | 18.06         |
| <b>Benchmark *</b>   | 6.68         | 5.55                       | 18.54         | 74.46                       | 20.38         |
| <b>HSBC Insurance Global Equity Volatility Focused Fund (USD)</b>    | 5.98         | 5.61                       | 12.54         | 58.01                       | 16.47         |
| <b>Benchmark *</b>   | 6.74         | 5.61                       | 18.79         | 75.72                       | 20.67         |
| <b>HSBC Insurance Global High Income Bond Fund (USD)</b>             | (1.34)       | (1.50)                     | (1.18)        | 18.62                       | 5.86          |
| <b>Benchmark *</b>   | 0.04         | 0.09                       | (0.79)        | 20.70                       | 6.47          |
| <b>HSBC Insurance India Equity Fund (USD)</b>                        | 1.29         | 13.88                      | 28.01         | 45.58                       | 13.34         |
| <b>Benchmark *</b>   | 0.35         | 12.70                      | 31.28         | 64.79                       | 18.12         |
| <b>HSBC Insurance Pacific Equity Fund (USD)</b>                      | (1.62)       | (7.46)                     | (4.29)        | 44.86                       | 13.15         |
| <b>Benchmark *</b>   | (0.72)       | (8.98)                     | (2.65)        | 42.78                       | 12.60         |
| <b>HSBC Insurance US Equity Portfolio Fund (USD)</b>                 | 7.32         | 7.23                       | 31.13         | 81.04                       | 21.88         |
| The Fund has no benchmark  |              |                            |               |                             |               |
| <b>HSBC Insurance World selection 1 Fund (USD)</b>                   | 0.63         | 0.19                       | 0.78          | 17.08                       | 5.40          |
| The Fund has no benchmark  |              |                            |               |                             |               |
| <b>HSBC Insurance World Selection 2 Fund (USD)</b>                   | 1.80         | 1.11                       | 1.11          | 1.11                        | 0.37          |
| The Fund has no benchmark  |              |                            |               |                             |               |
| <b>HSBC Insurance World Selection 3 Fund (USD)</b>                   | 3.14         | 2.36                       | 9.43          | 38.35                       | 11.43         |
| The Fund has no benchmark  |              |                            |               |                             |               |
| <b>HSBC Insurance World Selection 4 Fund (USD)</b>                   | 4.51         | 3.64                       | 13.89         | 39.47                       | 11.73         |
| The Fund has no benchmark  |              |                            |               |                             |               |
| <b>HSBC Insurance World Selection 5 Fund (USD)</b>                   | 5.19         | 4.21                       | 15.61         | 53.34                       | 15.31         |
| The Fund has no benchmark  |              |                            |               |                             |               |
| <b>HSBC Life FlexConcept Fund (USD)</b>                              | 3.17         | 1.18                       | 5.66          | N.A.                        | N.A.          |
| <b>Benchmark *</b>   | 3.67         | 2.07                       | 7.84          | N.A.                        | N.A.          |

\* Refer to the respective funds for the benchmark used.

## Notes to the Fund Disclosures

### 1. Performance figures

Performance figures are calculated using bid-to-bid prices, with any income or dividends reinvested and in Singapore dollars.

### 2. Expense ratio

Expense ratio are calculated in accordance with IMAS guidelines for the disclosure on expense ratio. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received. Expense ratios are presented for the 12 months ended 31 December 2021. In the event that these ratios are not available as at the date of the report, they will be represented by the latest available period of information. The above formula is also utilised to compute the expense ratio of the underlying fund.

### 3. Turnover ratio

Turnover ratio represent the number of times per year that a dollar of assets is invested and is calculated based on the lower of purchases or sales for the 12 months preceding the reporting date expressed as a percentage of the daily average Net Asset Value. Turnover ratios are presented for the 12 months ended 31 December 2021. In the event that these ratios are not available as at the date of the report, they will be represented by the latest available period of information. The above formula is also utilised to compute the turnover ratio of the underlying fund.

### 4. Abbreviations Used

CPFIS : Central Provident Fund Investment Scheme  
GDP : Gross Domestic Product  
Ltd : Limited  
MV : Market Value  
N.A. : Not Applicable  
NAV : Net Asset Value  
OA : Ordinary Account  
SA : Special Account  
SRS : Supplementary Retirement Scheme

## HSBC Insurance Asia Equity Fund

### Fund Objective

HSBC Insurance Asia Equity Fund (the "ILP Sub-Fund") seeks to achieve capital appreciation in the medium to long-term through investment in equity and equity-related securities issued by companies which are listed on the stock exchanges of Asia (excluding Japan).

The ILP Sub-Fund invests 100% into iFAST-DWS Asia Premier Trust (the "Underlying Sub-Fund")

### Investment and Market Review ^

Asian stocks dropped during the reporting period, impacted by COVID-19 pandemic and slowdown in China. While Delta was the key variant of concern in the first half of the year, Omicron took the stage towards the end of the year. Facing Omicron, most governments tightened social distancing measures towards the end of the year, but the measures were milder than those in summer. Inflation was observed in all major economies, more reflected in producer prices index (PPI) than consumer prices index (CPI). In China, PPI reached 10.3% in December, compared to CPI 1.5%. Companies with weak pricing power and poor product mix faced margin pressure. In the US, CPI reached 7% in December and the Federal Reserve started tapering in the fourth quarter, reducing liquidity support to the market.

In addition to COVID-related factors, China factors played an important role in this market down trend. First, the government continued to tighten regulatory control of various sectors. Second is related to the deleveraging among private property developers. Banks were discouraged from lending to highly geared property developers since the summer of 2020. It was until the third quarter of 2021, cracks started to show up when banks slowed down mortgage approval. Private property developers in China struggled to meet debt obligations and deferred interest payment.

Third is regarding to the transition towards carbon neutrality. In September and October, China faced a temporary power shortage, due to lower coal output. International coal prices rose to record. While China was committed to carbon peak usage by 2030, the reduction in carbon energy caused temporary closure of factories in some areas.

### Market Outlook and Investment Strategy ^

Asia markets currently trade at consensus 12-month forward price to earnings ratio of 14 times, with 2% dividend yield. The response to COVID-19 variants, China factors, and US rate policy will determine the future trajectory. As vaccination becomes more available and hospitalization remains under control, economic activities will continue to improve. While regulatory uncertainties continue, there are early signs that the Chinese government may continue to ease monetary policy, increase in infrastructure spending, and invest in renewable energy to support growth. During the reporting period, the fund tracked the benchmark. Stock selection in Hong Kong and underweight in Indonesia dragged the performance, while stock selection in South Korea, Singapore and Taiwan contributed positively. In terms of positioning, the key overweight markets are Hong Kong, South Korea, and Singapore, while the underweight market is China. In terms of sector, communication services and financials are the most overweight sectors, while healthcare and industrials are underweight.

In the short term, the tapering and interest rate increase in the US may trigger some profit taking. The fund will remain selective and focus on companies that can benefit from regulatory changes and exhibit strong earnings growth visibility and financials.

^ Source: Bloomberg, Credit Suisse

## FUND FACTS

|                        |                              |
|------------------------|------------------------------|
| Underlying Sub-Fund    | iFAST-DWS Asia Premier Trust |
| Fund Manager           | iFAST Financial Pte.Ltd      |
| Launch Date            | 31 Jan 1994                  |
| CPFIS/SRS*             | SRS                          |
| CPFIS Risk             | N.A.                         |
| Classification         |                              |
| As at 31 December 2021 |                              |
| Offer Price            | S\$ 3.60356                  |
| Bid Price              | S\$ 3.42338                  |
| Fund Size              | S\$ 75.91 mil                |
| Units in Issue         | 22.17 mil                    |

\*Note: With effect from 28 Jun 2010, the ILP Sub-Fund has been delisted from CPFIS.

## A) Fund Performance

### I Cumulative Total Returns

|                                 | 3-Mth  | 6-Mth   | 1-Year  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---------------------------------|--------|---------|---------|--------|--------|---------|------------------------------|
|                                 | (%)    | (%)     | (%)     | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Asia Equity Fund | (3.03) | (14.07) | (11.61) | 30.01  | 49.25  | 88.67   | 260.36                       |
| Benchmark*                      | (2.04) | (12.96) | (6.34)  | 37.55  | 57.51  | 123.78  | 204.43                       |

### II Average Annual Compounded Returns

|                                 | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---------------------------------|--------|--------|---------|------------------------------|
|                                 | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Asia Equity Fund | 9.14   | 8.34   | 6.55    | 4.72                         |
| Benchmark*                      | 11.21  | 9.51   | 8.39    | 4.08                         |

\* Benchmark Details:

MSCI AC Far East ex Japan (SGD)

<sup>^</sup>Inception Date: 16 Mar 1994

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                  | As at 31 Dec 2021 |              |
|------------------------------|-------------------|--------------|
|                              | % of NAV          | MV S\$ mil   |
| iFAST-DWS Asia Premier Trust | 100.09            | 75.98        |
| Other assets                 | 0.07              | 0.05         |
| Other liabilities            | (0.16)            | (0.12)       |
| <b>Total</b>                 | <b>100.00</b>     | <b>75.91</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 2,027,260 |
| Redemption   | 5,886,652 |

## C) Underlying Fund Disclosure (iFAST DWS Asia Premier Trust)

### I Allocation by Country

| Country        | As at 31 Dec 2021 |              |
|----------------|-------------------|--------------|
|                | % of NAV          | MV S\$ mil   |
| China          | 30.67             | 27.37        |
| Taiwan         | 21.24             | 18.95        |
| South Korea    | 18.31             | 16.33        |
| Hong Kong      | 8.10              | 7.23         |
| Singapore      | 4.58              | 4.09         |
| Thailand       | 2.57              | 2.29         |
| Malaysia       | 2.10              | 1.88         |
| United Kingdom | 1.78              | 1.59         |
| Indonesia      | 1.10              | 0.98         |
| Others*        | 9.55              | 8.52         |
| <b>Total</b>   | <b>100.00</b>     | <b>89.23</b> |

\*Includes other countries and net assets

## II Allocation by Industry

| Industry               | As at 31 Dec 2021 |              |
|------------------------|-------------------|--------------|
|                        | % of NAV          | MV S\$ mil   |
| Banks                  | 12.28             | 10.95        |
| Electrical/Electronics | 11.91             | 10.63        |
| Semiconductors         | 11.69             | 10.43        |
| E-Commerce             | 7.86              | 7.01         |
| Internet Services      | 7.19              | 6.42         |
| Chemicals              | 4.38              | 3.91         |
| Automotive             | 4.38              | 3.90         |
| Real Estate            | 4.37              | 3.90         |
| Insurance              | 4.30              | 3.84         |
| Oil & Gas              | 3.18              | 2.84         |
| Media                  | 2.84              | 2.54         |
| Others*                | 25.60             | 22.85        |
| <b>Total</b>           | <b>100.00</b>     | <b>89.23</b> |

\*Includes other industries and net assets

## III Allocation of Debt Securities by Credit Ratings

N.A.

## IV Top Ten Holdings of Underlying Fund

|  | As at 31 Dec 2021 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Taiwan Semiconductor Manufacturing Corporation Limited | 10.92             | 9.74       |
| Samsung Electronics Company Limited                    | 7.45              | 6.65       |
| Tencent Holdings Limited                               | 7.19              | 6.42       |
| Alibaba Group Holding Limited                          | 4.39              | 3.91       |
| AIA Group Limited                                      | 4.30              | 3.84       |
| CTBC Financial Holding Company Limited                 | 3.92              | 3.49       |
| Formosa Plastics Corporation                           | 2.37              | 2.12       |
| China Construction Bank H Shares                       | 2.34              | 2.09       |
| Hong Kong Exchanges and Clearing Limited               | 2.14              | 1.91       |
| Hyundai Motor Company                                  | 2.07              | 1.85       |

## Top Ten Holdings of Underlying Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Samsung Electronics Company Limited                    | 9.96              | 11.36      |
| Taiwan Semiconductor Manufacturing Corporation Limited | 9.83              | 11.22      |
| Tencent Holdings Limited                               | 8.66              | 9.88       |
| Alibaba Group Holding Limited                          | 7.91              | 9.03       |
| AIA Group Limited                                      | 4.36              | 4.97       |
| JD.com Incorporation                                   | 3.11              | 3.55       |
| Vanguard International Semiconductor Corporation       | 3.06              | 3.49       |
| SK Hynix Incorporation                                 | 2.51              | 2.86       |
| New Oriental Education & Technology Group Inc          | 2.47              | 2.82       |
| NetEase Inc  | 2.38              | 2.72       |

## V Exposure to Derivatives

Nil.

## VI Borrowings of Net Asset Value

N.A.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Asia Equity Fund</b> |  | <b>Underlying Fund</b>   |                        |
|----------------------------------|--|--|--------------------------|------------------------|
|                                  | <b>As at 31-Dec-21</b>                 | <b>As at 31-Dec-20As at 30-Sep-21*</b> | <b>As at 30-Sep-20**</b> | <b>As at 31-Dec-20</b> |
| Expense Ratio                    | 1.73%                                  | 1.72%                                  | 1.43%                    | 1.43%                  |
| Turnover Ratio                   | 3.73%                                  | 4.52%                                  | 44.76%                   | 29.05%                 |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of iFAST-DWS Asia Premier Trust for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of DWS Asia Premier Trust for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

Nil.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Asia Focused Income Fund

### Fund Objective

HSBC Insurance Asia Focused Income Fund (the "ILP Sub-Fund") seeks to provide income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments.

ILP Sub-Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds – Managed Solutions – Asia Focused Income (Class ACH-SGD) (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

Although the overall background remains one of ongoing growth, signs of slowing activity along with inflationary pressures in some areas have unsettled markets. The Fed has announced potential moderation of bond purchases and rate hike at a time line earlier than previously indicated. In late November the emergence of Omicron weighed market performances down although in December markets rebounded as Omicron was found less serious than previous variants. As a result, both equities and fixed income markets saw mixed returns. Asia ex Japan equities closed the period with losses and underperformed global peers. Government bonds (hedged) ending slightly higher while Asian credits weighed by the credit concerns over a main Chinese property developer.

The Asia Focused Income Fund recorded a negative return over the period, with the detractions coming primarily from Asian high yield bonds due to the credit problems at a major Chinese property developer who is one of the largest issuers in the high yield market. Asian investment grade bonds in the portfolio also detracted due to unfavorable stock selection. Riskier assets such as Asia ex Japan equities were weighted by multiple factors including prolonged concerns over Chinese property sectors and potential greater economic impact from Omicron outbreak due to stricter attitude towards controlling the virus in many Asian countries.

### Market Outlook and Investment Strategy <sup>^</sup>

With the post-Covid recovery reaching its apex, GDP and profit growth is naturally slowing as economies enter the expansion phase of the economic cycle and policy normalization takes effect. This is traditionally a more challenging backdrop for investment markets and following a period of strong market returns, and we need to be realistic about the potential for future gains. Our baseline scenario is for price pressures to ease over 2022 as supply chain disruptions alleviate and pandemic related distortions wear off, with inflation likely to remain contained over the medium-term. However, there are upside risks to inflation if supply-side shortages persist in a meaningful way, especially in the US which is transitioning toward "mission economy" and a bigger role for state activism.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## FUND FACTS

|                        |   |
|------------------------|---|
| Underlying Sub-Fund    | HSBC Global Investment Funds – Managed Solutions – Asia Focused Income Fund |
| Fund Manager           | HSBC Global Asset Management (Singapore) Limited                            |
| Launch Date            | 28 Jan 2013   |
| CPFIS/SRS              | SRS   |
| CPFIS Risk             | N.A.  |
| Classification         |   |
| As at 31 December 2021 |   |
| Offer Price            | S\$ 1.27724   |
| Bid Price              | S\$ 1.21338   |
| Fund Size              | S\$ 7.85 mil  |
| Units in Issue         | 6.47 mil  |

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Asia Focused Income Fund* | (1.65)       | 4.74         | (4.97)        | 16.92         | 22.45         | N.A.           | 27.72                      |

### II Average Annual Compounded Returns

|  | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Asia Focused Income Fund* | 5.35          | 4.13          | N.A.           | 2.79                       |

\*There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

^Inception Date: 06 Feb 2013

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021<br>% of NAV | MV S\$ mil  |
|--|-------------------------------|-------------|
| HSBC Global Investment Funds – Managed Solutions - Asia Focused Income | 100.00                        | 7.85        |
| <b>Total</b>   | <b>100.00</b>                 | <b>7.85</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$     |
|--------------|---------|
| Subscription | 552,629 |
| Redemption   | 582,180 |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Managed Solutions - Asia Focused Income)

### I Allocation by Country

| Country          | As at 31 Dec 2021<br>% of NAV | MV S\$ mil    |
|------------------|-------------------------------|---------------|
| Asia Pacific     | 55.97                         | 461.52        |
| China            | 40.31                         | 332.39        |
| Funds            | 2.42                          | 19.96         |
| Europe Developed | 0.27                          | 2.23          |
| Cash             | 0.95                          | 7.81          |
| Others           | 0.08                          | 461.52        |
| <b>Total</b>     | <b>100.00</b>                 | <b>824.58</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                                   | As at 31 Dec 2021<br>% of NAV | MV S\$ mil    |
|--|-------------------------------|---------------|
| Asia ex Japan Equity                       | 39.75                         | 327.80        |
| Global Emerging Market Debt Local Currency | 2.42                          | 19.99         |
| Asian Investment Grade Bond                | 22.83                         | 188.28        |
| Asian High Yield Bond                      | 18.12                         | 149.39        |
| Asian Local Currency Bonds                 | 15.93                         | 131.31        |
| Liquidity                                  | 0.95                          | 7.81          |
| <b>Total</b>                               | <b>100.00</b>                 | <b>824.58</b> |



### III Allocation of Debt Securities by Credit Ratings

(For Debt securities portfolio only)

|              | As at 31 Dec 2021 |               |
|--------------|-------------------|---------------|
|              | % of NAV          | MV S\$ mil    |
| AAA          | 3.18              | 26.23         |
| AA+          | 0.83              | 6.83          |
| AA           | 0.53              | 4.39          |
| AA-          | 3.63              | 29.92         |
| A+           | 3.54              | 29.23         |
| A            | 2.49              | 20.52         |
| A-           | 2.95              | 24.30         |
| BBB+         | 9.22              | 76.03         |
| BBB          | 7.99              | 65.92         |
| BBB-         | 6.70              | 55.23         |
| BB+          | 1.01              | 8.32          |
| BB           | 3.73              | 30.78         |
| BB-          | 6.32              | 52.11         |
| B+           | 2.20              | 18.17         |
| B            | 1.26              | 10.40         |
| B-           | 1.41              | 11.65         |
| NR           | 2.17              | 17.86         |
| Others*      | 0.13              | 1.10          |
| <b>Total</b> | <b>59.29</b>      | <b>488.98</b> |

\*Includes lower rated debt securities

### IV Top Ten Holdings of Underlying Sub-Fund

|                                 | As at 31 Dec 2021 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV S\$ mil |
| Taiwan Semiconductor Co Ltd     | 3.96              | 32.68      |
| Samsung Electronics Co Ltd      | 3.60              | 29.67      |
| HSBC GIF Global EM Local Dbt ZD | 2.42              | 19.99      |
| AIA Group Ltd                   | 1.95              | 16.09      |
| MEDIATEK INC                    | 1.87              | 15.42      |
| KB FINANCIAL GROUP INC          | 1.74              | 14.38      |
| HONG KONG EXCHANGES & CLEAR     | 1.74              | 14.33      |
| ITC LTD                         | 1.50              | 12.35      |
| INDUS TOWERS LTD                | 1.44              | 11.91      |
| HCL TECHNOLOGIES LTD            | 1.31              | 10.79      |

### Top Ten Holdings of Underlying Sub-Fund

|                                 | As at 31 Dec 2020 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV S\$ mil |
| Samsung Electronics Co Ltd      | 3.56              | 21.67      |
| Taiwan Semiconductor Co Ltd     | 3.43              | 20.86      |
| HSBC FTSE All-World Index       | 3.01              | 18.33      |
| HSBC GIF Global EM Local Dbt ZD | 2.46              | 14.96      |
| Mediatek Inc                    | 1.74              | 10.61      |
| AIA Group Ltd                   | 1.74              | 10.57      |
| Alibaba Group Holding Ltd       | 1.54              | 9.38       |
| ITC Ltd                         | 1.49              | 9.06       |
| Tencent Holdings Ltd            | 1.47              | 8.93       |
| Ping An Insurance Group Co-H    | 1.42              | 8.64       |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |  |
|-----------------------------------|-------------------|--|
| % of NAV                          | 0.12%             |  |
| Market value (S\$)                | 958,769           |  |
| Realised Gains / (Losses) (S\$)   | (5,812,338)       |  |
| Unrealised Gains / (Losses) (S\$) | 1,393,917         |  |

### VI Borrowings of Net Asset Value

Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Asia Focused Income Fund</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|--|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                         | <b>As at 31-Dec-20</b> | <b>As at 31-Mar-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.66%  | 1.66%                  | 1.62%                      | 1.62%                    |
| Turnover Ratio                   | 14.01%   | 17.93%                 | 1.02%                      | 1.15%                    |

\* Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

HSBC Insurance Asia Focused Income Fund invests S\$7.85 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Managed Solutions - Asia Focused Income Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$25,218.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Asian Bond Fund

### Fund Objective

HSBC Insurance Asian Bond Fund (the "ILP Sub-Fund") seeks to maximise return. The ILP Sub-Fund invests at least 70% of its total assets in the fixed income transferable securities of issuers domiciled in, or exercising the predominant part of their economic activity in, Asian Tiger countries. The ILP Sub-Fund may invest in the full spectrum of available securities, including non-investment grade. The currency exposure of the ILP Sub-Fund is flexibly managed.

The ILP Sub-Fund invests 100% into Blackrock Global Funds - Asian Tiger Bond Fund (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

JPM Asian Credit Index (JACI) generated -2.3%, of which +2.0% was from carry, -0.8% from higher UST yields and -3.5% from wider credit spreads. UST 5-year yields rose by 37bps as markets priced in expectations of an incoming Fed taper. IG spreads tightened by 13bps and non-IG spreads widened by 76bps. Underperformance in the non-IG space was driven by China property and idiosyncratic issues within frontier sovereigns. Underperformance in the Chinese property sector started with policies by the Chinese government to enforce discipline within the sector over the period from end 2020-2023. Aggressive implementation of these policies by domestic financial institutions from mid-2021 affected developers' ability to access offshore financing. With more speculation of the financial viability of the developers, home buyers delayed purchases, compounding cash flow issues for developers. We saw policy action such as mortgage easing in some provinces which helped buoy markets from its lows, but issuer-specific headlines resulted in volatile price action.

BGF Asian Tiger Bond Fund (A2 shareclass) returned -6.55% while JACI returned -2.33%. The fund's China property overweight position was the main detractor; next was an overweight in BBB-rated China state-owned enterprises ('SOEs') and underweight in A-rated China SOEs, and tactical positions in Chinese convertible bonds. In financials, China asset management companies, Indian non-banking financial companies, Thai and Korean subdebt were the main outperformers. Other outperformers were Indian utility names, off-benchmark Middle East positions and security selection in China Technology, Media & Telecommunications. Tactical Asia FX positioning and Chinese and Indonesian local bond allocations were positive.

### Market Outlook and Investment Strategy <sup>^</sup>

We see a reasonably favorable environment for Asian credit. The growth outlook here looks promising compared to many emerging markets and some developed markets. In Asia, Covid-related fiscal and monetary impulses were not as large as in other parts of the world, so inflation pressures are lower, and there is less pressure on Asian policymakers to tighten unlike their counterparts in other regions. Additionally, while Asian credit saw challenges in 2021, the market's pricing reflects a bearishness that we believe is unrealistic, increasing the chance of upside surprises. An upward movement of risk-free rates while Asian economies accelerate should result in spread compression, raising the relative appeal of Asian bonds.

In China, credit tightening on property developers has been a concern, but a recalibration of the property sector is central to the policy of common prosperity. Only developers that can meet near term maturities, have diversified land banks and operate transparently are likely to survive. These changes should promote long term stability and differentiation of credits. We expect sector consolidation to take place and are vigilant about potential investment opportunities.

We are structurally short USD IG duration in the portfolio as we expect a gradual upward trajectory of UST yields. We like IG bonds from India and Indonesia, which should benefit from the compression as well as reopening progress and improving fiscal situations. We like select HY credits from China, India and Indonesia, but avoid weaker China property names. In Asian local FX and bond markets, our allocations are tactical.

<sup>^</sup> Source: BlackRock (Singapore) Limited

## FUND FACTS

|                        |  |
|------------------------|--|
| Underlying Sub-Fund*   | Blackrock Global Funds - Asian Tiger Bond Fund |
| Fund Manager           | BlackRock (Luxembourg) S.A.                    |
| Launch Date            | 6 Oct 2008                                     |
| CPFIS/SRS              | SRS  |
| CPFIS Risk             | N.A.   |
| Classification         |  |
| As at 31 December 2021 |  |
| Offer Price            | S\$ 1.92693                                    |
| Bid Price              | S\$ 1.83058                                    |
| Fund Size              | S\$ 12.97 mil                                  |
| Units in Issue         | 7.08 mil                                       |

\*Note: With effect from 14 June 2021, the Underlying Sub-Fund of HSBC Insurance Asian Bond Fund, Legg Mason Western Asset Asian Bond Trust was replaced with Blackrock Global Funds - Asian Tiger Bond Fund.

## A) Fund Performance

### I Cumulative Total Returns

|                                | Since Inception^ |        |        |        |        |         |
|--------------------------------|------------------|--------|--------|--------|--------|---------|
|                                | 3-Mth            | 6-Mth  | 1-Year | 3-Year | 5-Year | 10-Year |
|                                | (%)              | (%)    | (%)    | (%)    | (%)    | (%)     |
| HSBC Insurance Asian Bond Fund | (3.82)           | (6.67) | (7.97) | 0.80   | 0.99   | 20.08   |
| Benchmark*                     | (2.04)           | (2.04) | (0.49) | 14.24  | 13.13  | 67.39   |

### II Average Annual Compounded Returns

|                                | 3-Year | 5-Year | 10-Year | Inception^ |
|--------------------------------|--------|--------|---------|------------|
|                                | (%)    | (%)    | (%)     | (%)        |
| HSBC Insurance Asian Bond Fund | 0.27   | 0.20   | 1.85    | 5.10       |
| Benchmark*                     | 4.54   | 2.50   | 5.29    | 4.13       |

\* Benchmark Details:

JP Morgan Asia Credit Index with effect from Aug 2020

Inception to Aug 2020 - US\$ 3-month LIBOR (hedged to S\$)

^Inception Date: 28 Oct 2008

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                     | As at 31 Dec 2021 |              |
|---------------------------------|-------------------|--------------|
|                                 | % of NAV          | MV S\$ mil   |
| Blackrock Asian Tiger Bond Fund | 100.00            | 12.97        |
| <b>Total</b>                    | <b>100.00</b>     | <b>12.97</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 484,944   |
| Redemption   | 1,676,949 |

## C) Underlying Fund Disclosure (Blackrock Asian Tiger Bond Fund)

### I Allocation by Country

| Country                    | As at 31 Dec 2021 |                 |
|----------------------------|-------------------|-----------------|
|                            | % of NAV          | MV S\$ mil      |
| China                      | 35.97             | 1,846.56        |
| Indonesia                  | 12.85             | 659.57          |
| India                      | 12.23             | 627.69          |
| Hong Kong                  | 5.60              | 287.55          |
| Korea (South), Republic of | 4.12              | 211.66          |
| Thailand                   | 3.43              | 175.82          |
| Philippines                | 2.34              | 119.94          |
| United Arab Emirates       | 2.03              | 103.98          |
| Singapore                  | 1.62              | 83.19           |
| Malaysia                   | 1.61              | 82.52           |
| Cash & Equivalent          | 8.85              | 454.06          |
| Others*                    | 9.37              | 481.21          |
| <b>Total</b>               | <b>100.00</b>     | <b>5,133.75</b> |

\*Includes other countries

### II Allocation by Industry

| Industry          | As at 31 Dec 2021 |            |
|-------------------|-------------------|------------|
|                   | % of NAV          | MV S\$ mil |
| Financials        | 22.98             | 1,179.70   |
| Real Estate       | 15.47             | 794.22     |
| Quasi Sovereign   | 13.45             | 690.40     |
| Sovereign         | 11.28             | 579.04     |
| Technology        | 6.50              | 333.79     |
| Utilities         | 5.30              | 272.01     |
| Basic Industry    | 2.98              | 153.13     |
| Consumer Cyclical | 2.86              | 146.84     |
| Energy            | 2.59              | 132.96     |

|                       |               |                 |
|-----------------------|---------------|-----------------|
| Consumer Non-Cyclical | 1.95          | 100.32          |
| Local Authority       | 0.79          | 40.37           |
| Cash & Equivalent     | 8.85          | 454.06          |
| Others*               | 5.01          | 256.94          |
| <b>Total</b>          | <b>100.00</b> | <b>5,133.75</b> |

### III Allocation of Debt Securities by Credit Ratings

|                   | As at 31 Dec 2021 |                   |
|-------------------|-------------------|-------------------|
| <b>Rating</b>     | <b>% of NAV</b>   | <b>MV S\$ mil</b> |
| AA Rated          | 1.84              | 94.40             |
| A Rated           | 12.28             | 630.31            |
| BBB Rated         | 43.11             | 2,213.04          |
| BB Rated          | 16.91             | 867.90            |
| B Rated           | 12.60             | 646.97            |
| CCC Rated         | 1.38              | 70.95             |
| CC Rated          | 0.10              | 5.10              |
| C Rated           | 1.04              | 53.15             |
| D Rated           | 0.23              | 11.73             |
| NR                | 1.68              | 86.13             |
| Cash & Equivalent | 8.85              | 454.06            |
| <b>Total</b>      | <b>100.00</b>     | <b>5,133.75</b>   |

### IV Top Ten Holdings of Underlying Fund

|  | As at 31 Dec 2021 |                   |
|--|-------------------|-------------------|
|  | <b>% of NAV</b>   | <b>MV S\$ mil</b> |
| China Peoples Republic of (Governm 3.72 04/12/2051       | 1.67              | 85.51             |
| Indonesia (Republic of) 7.5 06/15/2035                   | 0.90              | 46.09             |
| Indonesia (Republic of) 7.125 06/15/2042                 | 0.73              | 37.69             |
| Pertamina Persero PT Mtn Regs 2.3 02/09/2031             | 0.73              | 37.24             |
| SK Battery America INC Regs 2.125 01/26/2026             | 0.70              | 36.07             |
| Bangkok Bank Public Co Ltd (Hong K Regs 3.466 09/23/2036 | 0.67              | 34.27             |
| Bank of Communications Co Ltd (Hon Regs 2.304 07/08/2031 | 0.66              | 34.06             |
| Dua Capital Ltd Regs 2.78 05/11/2031                     | 0.66              | 33.75             |
| LLPL Capital Pte. Ltd. Regs 6.875 02/04/2039             | 0.63              | 32.45             |
| Pertamina Persero PT Mtn Regs 3.1 01/21/2030             | 0.60              | 31.00             |

### Top Ten Holdings of Underlying Fund

|  | As at 30 Dec 2020 |                   |
|--|-------------------|-------------------|
|  | <b>% of NAV</b>   | <b>MV S\$ mil</b> |
| China Aoyuan Group Ltd 7.9500% Mat 09/07/2021      | 3.17              | 0.86              |
| Shim5.75%0321Re Mat 03/15/2021                     | 2.36              | 0.64              |
| Indo 3.5%0250 Mat 02/14/2050                       | 2.22              | 0.60              |
| Elec4.85%Perp R Mat 08/18/2099                     | 2.14              | 0.58              |
| Nan Fung Treasury III 5.0000% Mat 08/31/2099       | 2.10              | 0.57              |
| Yuzhou Properties Co Ltd 7.9000% Mat 05/11/2021    | 2.07              | 0.56              |
| Ccti3.625%0822R Mat 08/08/2022                     | 2.07              | 0.56              |
| Panth3.5%Perp R Mat 12/31/2049                     | 2.07              | 0.56              |
| Fuqin3.25%0625R Mat 06/23/2025                     | 2.07              | 0.56              |
| Republic Of The Philippines 3.9500% Mat 01/20/2040 | 1.85              | 0.50              |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |               |
|-----------------------------------|-------------------|---------------|
| % of NAV                          |                   | 53.76%        |
| Market value (S\$)                |                   | 2,760,120,358 |
| Realised Gains / (Losses) (S\$)   |                   | -             |
| Unrealised Gains / (Losses) (S\$) |                   | 469,698       |

### VI Borrowings of Net Asset Value

Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Asian Bond Fund</b> |                        | <b>Underlying Fund</b>           |                                  |
|----------------------------------|---------------------------------------|------------------------|----------------------------------|----------------------------------|
|                                  | <b>As at 31-Dec-21</b>                | <b>As at 31-Dec-20</b> | <b>As at 30-Nov-21*</b>          | <b>As at 30-Sep-20**</b>         |
| Expense Ratio                    | 1.25%                                 | 1.36%                  | 1.21%                            | 1.32%                            |
| Turnover Ratio                   | 107.21%                               | 9.25%                  | <b>As at 31-Dec-21</b><br>89.95% | <b>As at 31-Dec-20</b><br>77.50% |

\* Based on unaudited figure as at 30 Nov 2021 as the expense ratio of Blackrock Asian Tiger Bond Fund for the financial year ended 30 Dec 2021 is not available.

\*\*Based on unaudited figures as at 30 Sep 2020 as the expense ratio of Legg Mason Western Asset Asian Bond Trust for the financial year ended 30 Dec 2020 is not available. Prior to 14 June 2021, the underlying sub-fund was Legg Mason Western Asset Asian Bond Trust.

**II Related-Party Transactions**

N.A.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance China Equity Fund

### Fund Objective

HSBC Insurance China Equity Fund (the "ILP Sub-Fund") seeks to provide capital growth primarily through investment in equity and equity related securities of companies which are headquartered in and/or listed in or have a substantial business exposure to the People's Republic of China.

ILP Sub-Fund investments are made by way of a feeder fund through the Schroder China Opportunities Fund (the "Underlying Sub-Fund"), which will invest substantially into the Schroder ISF China Opportunities.

### FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | Schroder China Opportunities Fund              |
| Fund Manager              | Schroder Investment Management (Singapore) Ltd |
| Launch Date               | 13 Nov 2003                                    |
| CPFIS/SRS*                | SRS  |
| CPFIS Risk Classification | N.A.   |
| As at 31 December 2021    |  |
| Offer Price               | S\$ 3.68480                                    |
| Bid Price                 | S\$ 3.50056                                    |
| Fund Size                 | S\$ 71.36 mil                                  |
| Units in Issue            | 20.39 mil                                      |

### Investment and Market Review ^

\*Note: With effect from 31 Aug 2016, the ILP Sub-Fund has been delisted from CPFIS

Chinese equity market remained very challenged in 2H2021. This was partially due to concerns over the ability of property group Evergrande to service its debts. Market concerns over inflation and the outlook for interest rates also dampened investor confidence during the period. The market was further depressed in the final quarter by the constant regional Covid outbreaks in China. China's 'zero COVID' policy has continued to trigger a series of sporadic lockdowns in major cities, that dragged substantially on consumer confidence and domestic demand. The fund delivered negative returns over the review period but outperformed the benchmark. From a market perspective, stock selection in China added most value to relative return. On a sector basis, both selection and allocation added value. Stock selection was strong in the technology sector. It was also strong in the real estate sector where we had nil exposure to highly geared developers. From an allocation perspective, the overweight in industry and material sectors contributed the most.

At stock level, the underweight exposure to Pinduoduo and Alibaba helped relative performance as the Chinese ecommerce companies underperformed amid the regulatory tightening in the internet industry during the year. The fund remains UW these two ecommerce names. HSBC rose higher as market expected the bank to benefit from the upcoming interest rate hike cycle. On the negative side, Macau gaming company Sands China was a key detractor as the government is going to tighten the regulation and supervisory measures for the industry's long-term development.

### Market Outlook and Investment Strategy ^

China's zero Covid policy and its drag on consumer confidence and domestic demand remain the key headwinds in 2022. Weaker efficacy of Chinese vaccines, and low levels of immunity in the population acquired from past infection, means that the current strict policies will continue, and China is unlikely to open its border. Externally, export growth may normalize in 2022 as the world reopens.

In terms of investment, new infrastructure and green-related investment will likely be the key areas of growth. Traditional infrastructure investment may also increase modestly on more supportive fiscal policy. Meanwhile, the prolonged slowdown in property investment will continue given the ongoing deleveraging. The policy direction is clear, with debt reduction and narrowing income disparity the top priorities. A key debate as to the equity market outlook in China is at what point the local authorities might reverse some of the macro policy tightening of the last 12 months to help drive a rebound in local activity.

The corrections in Chinese equities in 2021, are throwing up more opportunities in a variety of sectors. Compared to the beginning of 2021, current valuations of Chinese equities market are much healthier, and it should provide more downside protection amid the still challenging macro environment in 2022. Given the uncertain outlook, portfolio construction remains focused on maintaining a healthy level of diversification across growth and value ideas. We Exposed to stocks that might benefit from higher inflation expectations and rates, alongside those longer-term growth ideas that are less cyclically exposed.

^ Source: Schroder Investment Management (Singapore) Ltd

## A) Fund Performance

### I Cumulative Total Returns

|                                  | 3-Mth  | 6-Mth   | 1-Year  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|----------------------------------|--------|---------|---------|--------|--------|---------|------------------------------|
|                                  | (%)    | (%)     | (%)     | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance China Equity Fund | (4.16) | (18.77) | (12.64) | 44.04  | 66.59  | 160.95  | 268.48                       |
| Benchmark*                       | (6.72) | (22.90) | (20.15) | 23.78  | 45.96  | N.A.    | N.A.**                       |

### II Average Annual Compounded Returns

|                                  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|----------------------------------|--------|--------|---------|------------------------------|
|                                  | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance China Equity Fund | 12.93  | 10.75  | 10.07   | 7.48                         |
| Benchmark*                       | 7.37   | 7.86   | N.A.    | N.A.**                       |

\*Benchmark Details:

MSCI TR China Net with effect from April 2013

From March 2011 to April 2013 – MSCI TR China Gross

From February 2009 to March 2011 – MSCI China 10/40 Capped Net Index

\*\* Inception to February 2009 – MSCI China Index, performance of composite Index is unavailable from 8 December 2003.

<sup>^</sup>Inception Date: 8 Dec 2003

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021 |              |
|--|-------------------|--------------|
|  | % of NAV          | MV S\$ mil   |
| Schroder International Opportunities Portfolio - Schroder China Opportunities Fund | 100.03            | 71.38        |
| Other assets   | 0.11              | 0.08         |
| Other liabilities  | (0.14)            | (0.10)       |
| <b>Total</b>   | <b>100.00</b>     | <b>71.36</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 1,558,169 |
| Redemption   | 5,873,745 |

## C) Underlying Sub-Fund Disclosure (Schroder International Opportunities Portfolio - Schroder China Opportunities Fund)

### I Allocation by Country

| Country                        | As at 30 Jun 2021 |               |
|--------------------------------|-------------------|---------------|
|                                | % of NAV          | MV S\$ mil    |
| Luxembourg                     | 98.69             | 158.52        |
| Other net assets/(liabilities) | 1.31              | 2.10          |
| <b>Total</b>                   | <b>100.00</b>     | <b>160.62</b> |

\*HSBC Insurance China Equity Fund feeds wholly into Schroder China Opportunities Fund (a feeder fund investing into a corresponding sub-fund in the Schroder International Selection Fund (SISF), an open-ended investment company incorporated in Luxembourg).

### II Allocation by Industry

N.A. (The fund invests wholly into an underlying collective investment scheme.)

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund\*

|  | As at 31 Dec 2021 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Schroder International Selection Fund – China Opportunities C Accumulation Share Class | 98.69             | 158.52     |



### Top Ten Holdings of Underlying Sub-Fund\*

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Schroder International Selection Fund – China Opportunities C Accumulation Share Class | 98.41             | 165.67     |

\*The rest of the holdings of the underlying sub-fund are cash-in-transits and accruals.

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | (*)               |
| Market value (S\$)                | (6,285)           |
| Realised Gains / (Losses) (S\$)   | (83,184)          |
| Unrealised Gains / (Losses) (S\$) | (6,285)           |
| * Less than 0.01                  |                   |

### VI Borrowings of Net Asset Value

Nil.

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance China Equity Fund |                 | Underlying Sub-fund |                 |
|---------------------------|----------------------------------|-----------------|---------------------|-----------------|
|                           | As at 31-Dec-21                  | As at 31-Dec-20 | As at 31-Dec-21     | As at 31-Dec-20 |
| Expense Ratio             | 1.75%                            | 2.02%           | 1.66%               | 1.67%           |
| Turnover Ratio            | 2.40%                            | 3.23%           | 11.10%              | 16.14%          |

### II Related-Party Transactions

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited. With effect from 1 July 2020, The Hongkong and Shanghai Banking Corporation Limited replaces HSBC France, Luxembourg Branch, as the Registrar of the Fund. Both Trustee and Registrar are subsidiaries of the HSBC Group. The registration fees payable by the Fund to the Registrar has been waived by the Registrar. The management fees, net of any management fee rebates, paid to the Manager; trustee fees and valuation fees charged by the HSBC group are shown in the Statement of Total Return of the financial statements for the period ended 31 December 2021.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

### IV Soft Dollar Commission Arrangement

The Fund invests substantially into the Schroder International Selection Fund China Opportunities. In the management of the underlying fund, the manager may enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to their clients, and where the manager is satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the underlying fund on terms that commensurate with best market practice.

In the management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

### E) Financial Statements

Refer to page 167 onwards.

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## HSBC Insurance Chinese Equity Fund

### Fund Objective

HSBC Insurance Chinese Equity Fund (the "ILP Sub-Fund") seeks long-term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other regulated market of the People's Republic of China ("China"), including Hong Kong SAR, as well as those companies which carry out a preponderant part of their business activities in China.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Chinese Equity (Class AD-SGD) (the "Underlying Sub-Fund").

### FUND FACTS

|                        |  |           |
|------------------------|--|-----------|
| Underlying Sub-Fund    | HSBC Global Investment Funds – Chinese Equity Fund |           |
| Fund Manager           | HSBC Global Asset Management (Singapore) Limited   |           |
| Launch Date            | 18 Jan 2016  |           |
| CPFIS/SRS              | SRS  |           |
| CPFIS Risk             | N.A.   |           |
| Classification         |  |           |
| As at 31 December 2021 |  |           |
| Offer Price            | S\$  | 1.80082   |
| Bid Price              | S\$  | 1.71078   |
| Fund Size              | S\$  | 37.99 mil |
| Units in Issue         |  | 22.21 mil |

### Investment and Market Review ^

The Chinese Equity Fund dropped by 19.15% over the 6 months as of Dec 31 2020 (SGD terms), while its benchmark, MSCI China 10/14 Net Total Return Index dropped 21.6% (SGD terms) over the same period. Regulatory headwinds and the Evergrande spillover concerns caused market turbulence in the second half of the year 2021. In July, the Cyberspace Administration of China ordered app stores to remove the ride-hailing giant Didi, together with Full Truck Alliance and BOSS Zhipin, citing serious violations on collection and usage of personal information, shortly after their IPO in US. It indicated much tighter scrutiny over future US listings. Regulatory crackdown on after-school tutoring industry, had a disruptive impact on the education sector and induced fears of a spillover to other sectors. Regulations concerns, impacting more sectors, followed as state media commented on and new rules were imposed.

The aggressive growth of the Real Estate industry in mainland China in the past has been constrained under the tightening policies in the past two years. China Evergrande and several other highly leveraged property developers faced difficulties in meeting their liabilities. Property sales and land sales slowed down sharply to negative year-on-year growth especially in the lower tier cities in China. Both sector allocation and security selection effects were positive during the period. The fund performance was mainly driven by favourable stock selection in Information Technology, Real Estate and Utilities. Our underweight positions in Consumer Discretionary and cash holdings also helped.

### Market Outlook and Investment Strategy ^

Looking into 2022, we believe the macro narrative will stay challenging: China will likely grow below 5%. China's zero COVID policy and its drags on consumption, normalizing export growth as the world re-opens, elevated upstream inflation that could hurt corporate profitability. "Zero-COVID" policy is impacting the consumer space. The weaker China retail sales growth in October was in line with the weak consumption data during the National Day Golden Week, and was weighed on by the COVID resurgence that has been ongoing since mid-October across a wide range of regions in North and West China. Pressure may further increase before the upcoming Winter Olympics in February. We believe China may revisit the "Zero-COVID" policy and starts reopening for international travel only after the Olympics Game and a massive 3rd dose vaccination.

However, we see marginal rerating opportunities as 1) China's valuation discounts to global equities are almost at all-time highs.; 2) worst time of regulatory headwind for Internet sector could have passed and regulation clarity/intensity and impact on earnings could improve.; 3) China policy could turn to more easing given macro weakness and liquidity environment would then improve. We would focus more on thematic opportunities in 2022. The portfolio continues to overweight Information Technology sector, especially in semiconductors and technology hardware & equipment. Semiconductors shortage has broadened to downstream, causing tight supply/demand conditions in automotive, consumer electronics and industrials and pricing power of manufacturers will continue to increase.

^ Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|                                    | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|------------------------------------|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Chinese Equity Fund | (5.31)       | (19.32)      | (19.34)       | 33.44         | 50.32         | N.A.           | 71.08                      |
| Benchmark*                         | (6.62)       | (21.60)      | (18.54)       | 26.19         | 45.33         | N.A.           | 70.73                      |

### II Average Annual Compounded Returns

|                                    | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|------------------------------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Chinese Equity Fund | 10.09         | 8.49          | N.A.           | 9.47                       |
| Benchmark*                         | 8.06          | 7.76          | N.A.           | 9.43                       |

\*MSCI China (10/40) Capped Net Index

^Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021<br>% of NAV | MV S\$ mil   |
|--|-------------------------------|--------------|
| HSBC Global Investment Funds – Chinese Equity Fund | 99.97                         | 37.98        |
| Other assets                                       | 0.21                          | 0.08         |
| Other liabilities                                  | (0.18)                        | (0.07)       |
| <b>Total</b>                                       | <b>100.00</b>                 | <b>37.99</b> |

### II Fund Movement

(01 Jul 2021 - 30 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 8,812,836 |
| Redemption   | 6,270,021 |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Chinese Equity)

### I Allocation by Country

| Country                      | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|------------------------------|-------------------------------|-----------------|
| H Shares (Hong Kong)         | 21.33                         | 294.31          |
| Red Chips (Hong Kong)        | 9.62                          | 132.73          |
| A Shares (Shanghai)          | 18.62                         | 256.95          |
| Others                       | 16.71                         | 230.47          |
| P Chips (Hong Kong & China)* | 30.61                         | 422.33          |
| Cash                         | 3.11                          | 42.87           |
| <b>Total</b>                 | <b>100.00</b>                 | <b>1,379.66</b> |

\*Includes other countries

### II Allocation by Industry

| Industry               | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|------------------------|-------------------------------|-----------------|
| Consumer Discretionary | 19.92                         | 274.88          |
| Communication Services | 15.38                         | 212.13          |
| Information Technology | 13.18                         | 181.80          |
| Financials             | 12.91                         | 178.08          |
| Consumer Staples       | 10.36                         | 142.94          |
| Health Care            | 7.28                          | 100.47          |
| Real Estate            | 5.20                          | 71.69           |
| Energy                 | 4.21                          | 58.07           |
| Utilities              | 4.06                          | 55.96           |
| Industrials            | 3.23                          | 44.52           |
| Materials              | 1.18                          | 16.24           |
| Cash                   | 3.11                          | 42.87           |
| <b>Total</b>           | <b>100.02</b>                 | <b>1,379.66</b> |

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|                              | As at 31 Dec 2021 |            |
|------------------------------|-------------------|------------|
|                              | % of NAV          | MV S\$ mil |
| Tencent Holdings Ltd         | 7.59              | 104.78     |
| China Construction Bank-H    | 6.20              | 85.52      |
| Alibaba Group Holding Ltd    | 5.74              | 79.26      |
| Meituan-Class B              | 4.43              | 61.12      |
| Luxshare Precision Industr-A | 4.02              | 55.49      |
| China Telecom Corp Ltd       | 3.64              | 50.22      |
| Wuxi Biologics Cayman Inc    | 3.19              | 43.98      |
| China Mengniu Dairy Co Ltd   | 2.93              | 40.42      |
| Netease Inc                  | 2.76              | 38.02      |
| CLP Holdings Ltd             | 2.39              | 32.98      |

### Top Ten Holdings of Underlying Sub-Fund

|                              | As at 31 Dec 2020 |            |
|------------------------------|-------------------|------------|
|                              | % of NAV          | MV S\$ mil |
| Tencent Holdings Ltd         | 8.60              | 156.39     |
| Alibaba Group Holding Ltd    | 7.15              | 130.07     |
| Meituan-Class B              | 5.91              | 107.59     |
| Kweichow Moutai Co Ltd-A     | 4.85              | 88.16      |
| Ping An Insurance Group Co-H | 4.25              | 77.38      |
| Luxshare Precision Industr-A | 4.16              | 75.70      |
| New Oriental Education & Tec | 4.07              | 73.96      |
| Great Wall Motor Company-H   | 3.68              | 67.03      |
| Contemporary Amperex Techn-A | 3.33              | 60.63      |
| Wuxi Biologics Cayman Inc    | 3.28              | 59.61      |

### V Exposure to Derivatives

Nil.

### VI Borrowings of Net Asset Value

Nil.

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Chinese Equity Fund |                 | Underlying Sub-Fund |                          |
|---------------------------|------------------------------------|-----------------|---------------------|--------------------------|
|                           | As at 31-Dec-21                    | As at 31-Dec-20 | As at 31-Mar-21*    | As at 30-Sep-20**        |
| Expense Ratio             | 1.94%                              | 1.93%           | 1.90%               | 1.90%                    |
| Turnover Ratio            | 18.01%                             | 8.18%           | 1.30%               | As at 31-Dec-20<br>1.10% |

\*Based on audited figure as at 31 Mar 2021 as the expense and turnover ratios of HSBC Global Investment Funds – Chinese Equity Fund for the financial year ended 31 Dec 2021 are not available.

\*\*Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

### II Related-Party Transactions

HSBC Insurance Chinese Equity Fund invests S\$37.98 million, equivalent to 99.97% of its net asset value in HSBC Global Investment Funds – Chinese Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2021 to 31 December 2021 amounts to S\$150,500.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

### IV Soft Dollar Commission Arrangement

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Emerging Markets Equity Fund

### Fund Objective

HSBC Insurance Emerging Markets Equity Fund (the "ILP Sub-Fund") seeks to achieve capital growth primarily through investment in equity securities of emerging markets companies.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Schroder Emerging Markets Fund (the "Underlying Sub-Fund").

### Investment and Market Review ^

Global equities generated a strong return over the six-month period, led higher by the US. This was despite the discovery of the omicron Covid-19 variant, which increased uncertainty later in the period, amid the risk of renewed activity restrictions. The US Federal Reserve (Fed) initiated tapering of asset purchases at

a rate of \$15 billion per month in November. However, given the strength of US economic growth and the risk of higher inflation, the Fed announced in December that it will increase the pace of the withdrawal of its quantitative easing (QE) programme to \$30 billion per month from January. Based on this schedule, QE will end in March. Against this backdrop the US dollar strengthened, which was a headwind for emerging markets (EM). The MSCI Emerging Markets Index recorded a negative return, and underperformed the MSCI World Index.

### Market Outlook and Investment Strategy ^

From a global growth standpoint, we are moving through to a more mature stage of the economic cycle. The credit cycle is coming through in the US, and elevated savings could provide ongoing support to growth. Growth in China may remain soft in the near term. The zero-covid policy may lead to tighter restrictions in the face of a more infectious omicron strain, while manufactured exports appear to have peaked and the problems in the real estate sector may persist. However, we expect China to ease policy through this year and leading indicators such as the credit impulse appear to have troughed. China easing is in contrast to policy tightening in much of the rest of the world. Goods exports, which are currently elevated, could fade from high levels. Energy-driven economies may be more resilient, and demand in certain services-related economies should pick up.

Global liquidity growth is declining, and the Fed is now looking to tighten policy at a faster rate than previously expected. As a result, the US 10-year bond yield could continue to lift, and real yields are rising, which could potentially provide ongoing support for the US dollar. On a near term basis, the combination of rising yields and dollar strength is a headwind to EM equities and Growth stocks. Aggregate EM valuations are relatively full in absolute terms versus history but look interesting relative to developed markets and we are not struggling for bottom up ideas.

^ Source: Schroder Investment Management (Singapore) Ltd

## FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | Schroder Schroder Emerging Markets Fund        |
| Fund Manager              | Schroder Investment Management (Singapore) Ltd |
| Launch Date               | 6 Nov 2006                                     |
| CPFIS/SRS*                | SRS  |
| CPFIS Risk Classification | N.A  |
| As at 31 December 2021    |  |
| Offer Price               | S\$ 1.67259                                    |
| Bid Price                 | S\$ 1.58896                                    |
| Fund Size                 | S\$ 25.85 mil                                  |
| Units in Issue            | 16.27 mil                                      |

\*Note: With effect from 1 Oct 2008, the ILP Sub-Fund has ceased to accept new monies under CPFIS.

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Emerging Markets<br>Equity Fund | (3.65)       | (10.72)      | (3.61)        | 37.73         | 51.47         | 78.12          | 67.26                      |
| Benchmark*                                     | (2.00)       | (9.03)       | (0.59)        | 35.07         | 49.44         | 77.40          | 80.08                      |

### II Average Annual Compounded Returns

|   | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Emerging Markets Equity Fund | 11.26         | 8.66          | 5.94           | 3.46                       |
| Benchmark*                                  | 10.54         | 8.37          | 5.90           | 3.97                       |

\*MSCI Emerging Markets Index

^Inception Date: 21 Nov 2006

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021 |              |
|--|-------------------|--------------|
|  | % of NAV          | MV S\$ mil   |
| Schroder International Choice Portfolio - Schroder Emerging Markets Fund | 100.00            | 25.85        |
| Other assets   | 0.12              | 0.03         |
| Other liabilities  | (0.12)            | (0.03)       |
| <b>Total</b>   | <b>100.00</b>     | <b>25.85</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 655,955     |
| Redemption   | (2,194,016) |

### C) Underlying Sub-Fund Disclosure (Schroder International Choice Portfolio – Schroder Emerging Markets Fund)

#### I Allocation by Country

| Country                        | As at 31 Dec 2021 |               |
|--------------------------------|-------------------|---------------|
|                                | % of NAV          | MV S\$ mil    |
| Luxembourg                     | 98.61             | 155.95        |
| Other net assets/(liabilities) | 1.39              | 2.20          |
| <b>Total</b>                   | <b>100.00</b>     | <b>158.15</b> |

\*HSBC Insurance Emerging Markets Equity Fund feeds wholly into Schroder Emerging Markets Fund (a feeder fund investing into a corresponding sub-fund in the Schroder International Selection Fund (SISF), an open-ended investment company incorporated in Luxembourg).

#### II Allocation by Industry

N.A. (The fund invests wholly into an underlying collective investment scheme.)

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund\*

|  | As at 31 Dec 2021 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Schroder International Selection Fund - Emerging Markets A Accumulation<br>Share Class | 98.61             | 155.95     |

#### Top Ten Holdings of Underlying Sub-Fund\*

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Schroder International Selection Fund - Emerging Markets A Accumulation<br>Share Class | 99.32             | 166.20     |

\*The rest of the holdings of the underlying fund are cash-in-transits and accruals.

|                                   |                          |
|-----------------------------------|--------------------------|
| <b>V Exposure to Derivatives</b>  | <b>As at 31 Dec 2021</b> |
| % of NAV                          | (*)                      |
| Market value (S\$)                | (2,166)                  |
| Realised Gains / (Losses) (S\$)   | (23,373)                 |
| Unrealised Gains / (Losses) (S\$) | (2,166)                  |
| *Less than 0.01                   |                          |

**VI Borrowings of Net Asset Value**  
Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Emerging Markets Equity Fund</b> |                        | <b>Underlying Sub-Fund</b> |                        |
|----------------------------------|--|------------------------|----------------------------|------------------------|
|                                  | <b>As at 31-Dec-21</b>                             | <b>As at 31-Dec-20</b> | <b>As at 31-Dec-21</b>     | <b>As at 31-Dec-20</b> |
| Expense Ratio                    | 1.95%  | 1.62%                  | 1.91%                      | 1.92%                  |
| Turnover Ratio                   | 4.22%  | 5.68%                  | 1.85%                      | 75.67%                 |

**II Related-Party Transactions**

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited. With effect from 1 July 2020, The Hongkong and Shanghai Banking Corporation Limited replaces HSBC France, Luxembourg Branch, as the Registrar of the Fund. Both Trustee and Registrar are subsidiaries of the HSBC Group. The management fees payable by the Fund to the Manager is currently waived by the Manager. The registration fees payable by the Fund to the Registrar has been waived by the Registrar. The trustee fees and valuation fees charged by the HSBC group are shown in the Statement of Total Return of the financial statements for the period ended 31 December 2021.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**  
Nil.

**IV Soft Dollar Commission Arrangement**

The Fund invests substantially into the Schroder International Selection Fund Emerging Markets. In the management of the underlying fund, the manager may enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to their clients, and where the manager is satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the underlying fund on terms that commensurate with best market practice.

In the management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Ethical Global Equity Fund

### Fund Objective

HSBC Insurance Ethical Global Equity Fund<sup>1</sup> (the "ILP Sub-Fund") seeks to achieve capital appreciation.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

Global equity markets modestly declined in the third quarter. Stock markets were often dampened by concerns that the swiftly spreading Delta variant of the coronavirus would dent the economic recovery. Global equities collectively advanced during 2021's fourth quarter, marking the sixth gain in the past seven quarters. Concerns intensified about the impact of higher inflation, tighter monetary policy and new COVID variants on economic growth during the quarter, though stock markets appeared mostly unperturbed. At a high level, the disinflationary environment of the past decade caused by periodic macroeconomic shocks (Lehman, European financial crisis, COVID) pushed central banks to lower interest

rates to levels unseen in the past century. This increased the relative attractiveness of 'growth' names where the fund was underweighted, but there have been a few other factors which have been a headwind for fund performance over the past year. We retain conviction in our investment methodology despite these challenges. Our process focuses on finding well run businesses (or those which may be underappreciated or mistakenly discounted); our valuation discipline provides a healthy margin of safety to guard against overpaying for our investments and we believe that over time, our investment thesis, coupled with an understanding of market catalysts, will help to provide meaningful performance. As we have seen episodically throughout the year, a potential rise in rates has now started to encourage investors to question the value they are willing to pay for shares, and we believe our valuation discipline should benefit from this.

### Market Outlook and Investment Strategy <sup>^</sup>

Looking ahead, we remain conscious of the myriad risks to stability, but also are aware of the support pillars that could continue propping up global equity markets. Aggregate valuations have been high, and the policy bias has changed globally from easing to tightening, which admittedly raises the risk of a policy mistake in 2022 and beyond. However, gradually rising interest rates in an environment of structurally higher inflation and lower growth need not spell the end of this bull market (though it could lead to meaningful rotations in leadership).

Market conditions remain frothy, in our view, but not necessarily irrationally exuberant. For example, companies globally raised a record US\$12.1 trillion in 2021 (through equity and debt issuance), including US\$5 trillion in the United States alone; however, two-thirds of the companies that went public in this record year for US initial public offerings (IPOs) traded below their issuance price at year-end. The selloff in profitless tech, cryptocurrency and other thematic investments in the final months of 2021 told a similar story: The system may still be awash with easy money, but that doesn't necessarily guarantee easy gains for investors.

While we seek to understand the market environment and prepare for the various potential risks, we do not position portfolios around an explicit macro view. We simply want to own stocks that we believe will excel through a cycle because we bought them at prices we consider to be well below the intrinsic value of their long-term earnings, asset growth and cash flow potential.

<sup>^</sup> Source: Templeton Asset Management Ltd.

## UND FACTS

|                           |  |           |
|---------------------------|--|-----------|
| Underlying Sub-Fund       | Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund <sup>2</sup> |           |
| Fund Manager              | Templeton Asset Management Ltd. <sup>3</sup>   |           |
| Launch Date               | 29 Sep 1995  |           |
| CPFIS/SRS                 | OA/SRS   |           |
| CPFIS Risk Classification | Higher Risk – Broadly Diversified  |           |
| As at 31 December 2021    |  |           |
| Offer Price               | S\$  | 1.70383   |
| Bid Price                 | S\$  | 1.61864   |
| Fund Size                 | S\$  | 42.03 mil |
| Units in Issue            |  | 25.97 mil |

<sup>1</sup> HSBC Insurance Ethical Global Equity Fund was formerly known as Takaful Global Fund.

<sup>2</sup> With effect from 18 Nov 2013, the Underlying Sub-fund of HSBC Insurance Ethical Global Equity Fund, HSBC Amanah Funds - HSBC Amanah Global Equity - Z Class was replaced with Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund.

<sup>3</sup> Prior to 18 Nov 2013, HSBC Global Asset Management (Singapore) Limited was the Fund manager.

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|-------|-------|--------|--------|--------|---------|------------------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Ethical Global Equity Fund | 2.98  | 0.09  | 10.21  | 31.81  | 27.00  | 71.85   | 70.38                        |
| Benchmark*                                | 6.63  | 6.68  | 20.78  | 59.14  | 64.19  | 151.18  | N.A.**                       |

### II Average Annual Compounded Returns

|   | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|--------|--------|---------|------------------------------|
|   | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Ethical Global Equity Fund | 9.64   | 4.90   | 5.56    | 2.05                         |
| Benchmark*                                | 16.75  | 10.43  | 9.65    | N.A.**                       |

\*Benchmark details:

The new performance figures are based on the new benchmark MSCI AC World Islamic Index, due to change in the underlying sub-fund.

\*\* MSCI AC World Islamic Index is not available when HSBC Insurance Ethical Global Equity Fund was inception.

<sup>^</sup>Inception Date: 04 Oct 1995

## B) Fund Disclosure

### I Allocation by Asset Class

|   | As at 31 Dec 2021 |              |
|---|-------------------|--------------|
| Asset Class   | % of NAV          | MV S\$ mil   |
| Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund | 100.00            | 42.03        |
| Other assets  | 0.12              | 0.05         |
| Other liabilities   | (0.12)            | (0.05)       |
| <b>Total</b>  | <b>100.00</b>     | <b>42.03</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 322,872     |
| Redemption   | (2,267,345) |

## C) Underlying Sub-Fund Disclosure (Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund)

### I Allocation by Country

|                | As at 31 Dec 2021 |               |
|----------------|-------------------|---------------|
| Country        | % of NAV          | MV S\$ mil    |
| United States  | 33.64             | 41.30         |
| Japan          | 13.57             | 16.67         |
| United Kingdom | 8.22              | 10.09         |
| South Korea    | 6.31              | 7.74          |
| Switzerland    | 5.46              | 6.70          |
| Taiwan         | 4.73              | 5.80          |
| Germany        | 3.96              | 4.86          |
| France         | 3.83              | 4.70          |
| Norway         | 2.62              | 3.22          |
| Others*        | 17.68             | 21.71         |
| <b>Total</b>   | <b>100.00</b>     | <b>122.80</b> |

\*Includes other countries

## II Allocation by Industry

| Industry                | As at 31 Dec 2021 |               |
|-------------------------|-------------------|---------------|
|                         | % of NAV          | MV S\$ mil    |
| Information Technology  | 23.46             | 28.81         |
| Health Care             | 19.90             | 24.44         |
| Energy                  | 16.92             | 20.78         |
| Materials               | 10.31             | 12.66         |
| Industrials             | 9.40              | 11.54         |
| Consumer Discretionary  | 8.13              | 9.99          |
| Consumer Staples        | 4.40              | 5.40          |
| Cash & Cash Equivalents | 7.47              | 9.18          |
| <b>Total</b>            | <b>100.00</b>     | <b>122.80</b> |

## III Allocation of Debt Securities by Credit Ratings

N.A.

## IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| Taiwan Semiconductor Manufacturing Co Ltd | 4.72              | 5.80       |
| Samsung Electronics Co Ltd                | 3.56              | 4.37       |
| Bp Plc                                    | 3.31              | 4.06       |
| Roche Holding Ag                          | 3.16              | 3.88       |
| TOTALENERGIES SE                          | 2.91              | 3.57       |
| Johnson & Johnson                         | 2.64              | 3.24       |
| Shell Plc                                 | 2.57              | 3.16       |
| Westinghouse Air Brake Technologies Corp. | 2.55              | 3.13       |
| Tokyo Electron Ltd                        | 2.47              | 3.03       |
| Sumitomo Metal Mining Co Ltd              | 2.47              | 3.03       |

## Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2020 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| Samsung Electronics Co Ltd                | 6.57              | 7.14       |
| Sumitomo Metal Mining Co Ltd              | 3.92              | 4.26       |
| Taiwan Semiconductor Manufacturing Co Ltd | 3.54              | 3.84       |
| Freeport-Mcmoran Inc                      | 2.93              | 3.18       |
| LG Chem Ltd                               | 2.69              | 2.92       |
| Johnson & Johnson                         | 2.69              | 2.92       |
| F5 Networks Inc                           | 2.65              | 2.88       |
| Wheaton Precious Metals Corp              | 2.26              | 2.46       |
| Westinghouse Air Brake Technologies Corp. | 2.25              | 2.44       |
| Total SE                                  | 2.23              | 2.42       |

## V Exposure to Derivatives

Nil.

## VI Borrowings of Net Asset Value

Nil.

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Ethical Global Equity Fund |                 | Underlying Sub-Fund |                  |
|---------------------------|---|-----------------|---------------------|------------------|
|                           | As at 31-Dec-21                           | As at 31-Dec-20 | As at 31-Dec-21     | As at 30-Sep-20* |
| Expense Ratio             | 1.74%                                     | 1.73%           | 1.75%               | 1.75%            |
| Turnover Ratio            | 1.42%                                     | 1.39%           | 98.24%              | 43.37%           |

\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund (the "Underlying Sub-Fund") for the financial year ended 31 Dec 2020 is not available.

\*\*Based on unaudited figure as at 30 Apr 2021 as the turnover ratio of Underlying Sub-Fund for the financial year ended 31 Dec 2021 is not available.

\*\*\* Based on unaudited figure as at 30 Apr 2020 as the turnover ratio of Underlying Sub-Fund for the financial year ended 31 Dec 2020 is not available.

#### II Related-Party Transactions

Nil.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers. The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid for directly by the Investment Managers.

For the period 1 January 2021 to 31 December 2021, the Franklin Templeton Shariah Fund - Templeton Shariah Global Equity Fund paid US\$46,829 in commission dollars generated from portfolio transactions to pay for goods or services provided by third parties under a soft dollar arrangement. All goods and services acquired with the soft dollar commission were for the benefit of the unit trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades

#### E) Financial Statements

Refer to page 167 onwards.

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## HSBC Insurance Ethical Global Sukuk Fund

### Fund Objective

HSBC Insurance Ethical Global Sukuk Fund<sup>1</sup> (the "ILP Sub-Fund") seeks to maximise, consistent with prudent investment management, total investment return, consisting of a combination of profit income and capital appreciation.

ILP Sub-Fund investments are made by way of a feeder, which invests substantially all, or all its assets in the Franklin Templeton Shariah Funds - Franklin Templeton Global Sukuk Fund (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

The Sukuk market rose over the third quarter of 2021, as spreads tightened. Overall, many other fixed income markets weakened, while global equities edged lower. sentiment was negatively impacted by persistent inflation, more hawkish central bank messaging and a continued regulatory crackdown in China.

In the fourth quarter, the Sukuk market was little changed, as slightly tighter spreads were broadly offset by a marginal rise in yields. A rally in global commodities, rising demand, wage pressures and supply chain disruptions continued to push prices up during the period. The rollout of vaccines has continued to help economies open up from local lockdown restrictions and, despite new waves of

infection on the back of the Delta variant of the virus, hospitalisations from COVID-19 have not accelerated. The GCC has executed a very successful vaccine strategy, with the UAE. This success, coupled with a gradual opening-up of global travel, should benefit the region. Investors' concerns about the ongoing strength of the cyclical recovery appear to have evolved in recent months into a widespread belief that growth and inflationary pressures are sufficient for US rates to rise soon. These expectations have been bolstered by hawkish statements from US Fed officials, indicating a potential for asset-purchase tapering and possible rate hikes, starting in 2022. Furthermore, following a period of negative surprises over the summer, consensus growth expectations have been downgraded and the potential for positive surprises over the fourth quarter is rising.

### Market Outlook and Investment Strategy <sup>^</sup>

In 2005, financial markets coined the term "conundrum" from then US Federal Reserve (Fed) Chairman Alan Greenspan's frustration with the seemingly implausible behaviour of the bond market.

Our current conundrum lies in the notion that despite an obvious economic rebound and transition towards a less accommodative monetary policy, real rates (interest earned after inflation) wave a red flag. To sum up the market's collective thoughts of the upcoming changes in monetary policy, there are three important elements to consider: when the Fed is expected to raise rates.

First, the market expects the Fed to raise rates very soon. While the tapering of bond purchases has barely begun, the expectation is that it will conclude by summer, with the Fed raising rates, possibly several times, in the second half of the year. If this expectation proves accurate, it would be much more aggressive than the previous cycle. On the other hand, and the second important element, the market is expecting the rise in rates to fall short of the last cycle, which peaked in 2019. The third and final element is that the market is expecting a period of sustained inflation. In other words, the hiking cycle is soon, fast and short. Meanwhile inflation is here to stay, despite a hiking cycle that will be shallow and end quickly. The grand prize is today's exceptionally low real rates. Like the original conundrum, we are also, coincidentally, also in a period of change at the Fed.

<sup>^</sup> Source: Templeton Asset Management Ltd.

## FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund <sup>2</sup> |
| Fund Manager              | Templeton Asset Management Ltd. <sup>3</sup>                               |
| Launch Date               | 02 May 2002  |
| CPFIS/SRS*                | SRS  |
| CPFIS Risk Classification | N.A.   |
| As at 31 December 2021    |  |
| Offer Price               | S\$ 1.34862  |
| Bid Price                 | S\$ 1.28119  |
| Fund Size                 | S\$ 13.54 mil  |
| Units in Issue            | 10.57 mil  |

<sup>1</sup> HSBC Insurance Ethical Global Sukuk Fund was formerly known as HSBC-Link Ethical Capital Protected Fund and Takaful Sinaran Fund.

<sup>2</sup> With effect from 18 Nov 2013, the underlying sub-fund of HSBC Insurance Ethical Global Sukuk Fund, HSBC Amanah Global Equity Index Fund was replaced with Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund

<sup>3</sup> Prior to 18 Nov 2013, HSBC Global Asset Management (Singapore) Limited was the Fund Manager.

\*Note: With effect from 18 Nov 2013, the ILP Sub-Fund has been delisted from CPFIS.

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth  | 6-Mth  | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|--|--------|--------|--------|--------|--------|---------|------------------------------|
|  | (%)    | (%)    | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Ethical Global Sukuk Fund | (1.19) | (0.03) | 1.46   | 16.00  | 14.38  | 64.97   | 34.86                        |
| Benchmark*                               | (0.57) | 0.68   | 3.10   | 19.50  | 17.93  | 59.83   | N.A.**                       |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|--|--------|--------|---------|------------------------------|
|  | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Ethical Global Sukuk Fund | 5.07   | 2.72   | 5.13    | 1.54                         |
| Benchmark*                               | 6.12   | 3.35   | 4.80    | N.A.**                       |

\* Benchmark details:

The performance figures are based on the new benchmark Dow Jones Sukuk Index, due to change in the underlying sub-fund.

\*\*The new benchmark Dow Jones Sukuk Index are not available when HSBC Insurance Ethical Global Sukuk Fund was inceptioned.

<sup>^</sup>Inception Date: 01 Jul 2002

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class   | As at 31 Dec 2021 |              |
|---|-------------------|--------------|
|   | % of NAV          | MV S\$ mil   |
| Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund | 100.00            | 13.54        |
| <b>Total</b>  | <b>100.00</b>     | <b>13.54</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 41,689    |
| Redemption   | (550,435) |

## C) Underlying Sub-Fund Disclosure (Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund)

### I Allocation by Country

| Country              | As at 31 Dec 2021 |               |
|----------------------|-------------------|---------------|
|                      | % of NAV          | MV S\$ mil    |
| Saudi Arabia         | 26.55             | 132.42        |
| United Arab Emirates | 24.89             | 124.16        |
| Indonesia            | 12.34             | 61.54         |
| Supranational        | 7.46              | 37.22         |
| Kuwait               | 7.41              | 36.95         |
| Malaysia             | 3.91              | 19.48         |
| Qatar                | 3.76              | 18.78         |
| Bahrain              | 2.52              | 12.58         |
| Egypt                | 1.85              | 9.25          |
| Others*              | 9.31              | 46.44         |
| <b>Total</b>         | <b>100.00</b>     | <b>498.81</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                         | As at 31 Dec 2021 |               |
|----------------------------------|-------------------|---------------|
|                                  | % of NAV          | MV S\$ mil    |
| Government-Related Sovereign     | 34.13             | 170.23        |
| Corporate Financial Institutions | 26.22             | 130.81        |
| Government-Related Agencies      | 25.72             | 128.31        |
| Government-Related Supranational | 7.46              | 37.22         |
| Corporate Industrials            | 3.42              | 17.04         |
| Cash & Cash Equivalents          | 3.13              | 15.61         |
| Derivatives                      | (0.08)            | (0.40)        |
| <b>Total</b>                     | <b>100.00</b>     | <b>498.81</b> |

### III Allocation of Debt Securities by Credit Ratings

| Rating                  | As at 31 Dec 2021 |               |
|-------------------------|-------------------|---------------|
|                         | % of NAV          | MV S\$ mil    |
| AAA                     | 0.10              | 0.47          |
| AA                      | 0.46              | 2.31          |
| AA-                     | 2.17              | 10.80         |
| A+                      | 3.06              | 15.24         |
| A                       | 19.87             | 99.10         |
| A-                      | 18.38             | 91.68         |
| BBB+                    | 1.82              | 9.09          |
| BBB                     | 17.33             | 86.42         |
| BBB-                    | 12.54             | 62.54         |
| BB                      | 0.50              | 2.47          |
| BB-                     | 1.66              | 8.29          |
| B+                      | 3.99              | 19.91         |
| B                       | 4.00              | 19.94         |
| Others*                 | 11.02             | 54.95         |
| Cash & Cash Equivalents | 3.13              | 15.61         |
| <b>Total</b>            | <b>100.00</b>     | <b>498.81</b> |

\*Includes lower rated debt securities

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| SA Global Sukuk Ltd., 2.694%, 6/17/31   | 3.28              | 16.36      |
| KSA Sukuk Ltd., senior bond, Reg S, 4.303%, 1/19/29                               | 3.04              | 15.18      |
| DAE Funding LLC, 3.00%, 11/16/25  | 2.92              | 14.57      |
| KSA Sukuk Ltd., senior note, Reg S, 3.628%, 4/20/27                               | 2.81              | 14.03      |
| Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.15%, 3/29/27                     | 2.78              | 13.88      |
| Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28        | 2.65              | 13.22      |
| ARAB National Bank, sub. bond, 3.00% to 10/19/25, Reg S, FRN thereafter, 10/28/30 | 2.59              | 12.93      |
| Saudi Electricity Global Sukuk Co. 2, senior bond, Reg S, 5.06%, 4/08/43          | 2.42              | 12.08      |
| Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 2.80%, 6/23/30        | 2.17              | 10.81      |
| National Commercial Bank, 3.50% to 1/26/27, FRN thereafter, Perpetual             | 2.12              | 10.59      |

### Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2020 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28            | 3.66              | 13.42      |
| ARAB National Bank, sub. bond, 3.00% to 10/19/25, Reg S, FRN thereafter, 10/28/30     | 2.98              | 10.96      |
| DP World Salaam, Perpetual Reg S, junior sub. bond, 6.00% to 1/01/26, FRN thereafter, | 2.76              | 10.13      |
| KSA Sukuk Ltd., senior bond, Reg S, 4.303%, 1/19/29                                   | 2.68              | 9.86       |
| Saudi Electricity Global Sukuk Co. 2, senior bond, Reg S, 5.06%, 4/08/43              | 2.62              | 9.63       |
| ICDPS Sukuk Ltd., senior note, Reg S, 1.81%, 10/15/25                                 | 2.54              | 9.34       |
| SD International Sukuk II Ltd., senior note, Reg S, 6.9965%, 3/12/25                  | 2.53              | 9.29       |
| DAE Funding LLC, 3.00%, 11/16/25  | 2.46              | 9.02       |
| Unity 1 Sukuk Ltd., senior note, Reg S, 3.86%, 11/30/21                               | 2.20              | 8.07       |
| Riyad Bank, sub. bond, Reg S, 3.174% to 2/25/25, FRN thereafter, 2/25/30              | 2.17              | 7.96       |

### V Exposure to Derivatives

Nil.

### VI Borrowings of Net Asset Value

Nil.

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Ethical Global Sukuk Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|--|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                          | As at 31-Dec-20 | As at 30-Sep-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.54%                                    | 1.54%           | 1.50%               | 1.50%             |
| Turnover Ratio            | 4.48%                                    | 4.80%           | (16.31)             | (4.12%)           |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund (the "Underlying Sub-Fund") for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of Underlying Sub-Fund for the financial year ended 31 Dec 2020 is not available.

\*\*\*Based on unaudited figure as at 30 Apr 2021 as the turnover ratio of Underlying Sub-Fund for the financial year ended 31 Dec 2021 is not available. Turnover Calculation is based on Luxembourg GAAP.

\*\*\*\*Based on unaudited figure as at 30 Apr 2020 as the turnover ratio of Underlying Sub-Fund for the financial year ended 31 Dec 2020 is not available. Turnover Calculation is based on Luxembourg GAAP.

#### II Related-Party Transactions

Nil.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

#### E) Financial Statements

Refer to page 167 onwards.

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call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**



## HSBC Insurance Europe Dynamic Equity Fund

### Fund Objective

HSBC Insurance Europe Dynamic Equity Fund (the "ILP Sub-Fund") seeks to maximise long-term capital growth by investing primarily in an aggressively managed portfolio of European companies.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds - Europe Dynamic Fund (the "Underlying Sub-Fund").

### Investment and Market Review ^

An overweight position in Laboratorios Farmaceutico, the Spanish pharmaceutical company contributed to relative returns over Q4. The company manufactures the Moderna Covid-19 vaccine, which has strong demand as Covid-19 infections continue to rise across Europe and there is an increased drive for booster vaccinations.

An overweight position in Marks & Spencer Group, the UK-listed retailer, contributed to relative returns. The company reported strong Q3 trading activity, which drove earnings upgrades. Adding to this optimism was speculation of potential bids from private equity groups for the company.

An overweight position in Eckert & Ziegler, the German provider of nuclear isotopes for medical uses, underperformed despite strong operational momentum as investors took profits after a period of strong performance an overweight position in Petershill Partners, the UK alternative asset manager, detracted. The company had its IPO in September and the shares have since drifted lower despite no updates on trading performance.

### Market Outlook and Investment Strategy ^

We are currently most overweight in banks and consumer durables & apparel. The largest underweights are in household & personal products and materials. The largest increase at the sector level was in energy. We added TotalEnergies to the portfolio during Q4. Supply discipline, along with strong demand, is providing a supportive backdrop for oil prices leading to mark-to-market upgrades for the energy sector, which is also benefitting from the gas upcycle. The company appears well placed versus its peers with regards to its decarbonisation strategy and attractive dividend yield, supplemented by share buybacks. With the stock trading on a single-digit P/E we see it as an attractive opportunity.

The largest decrease at the sector level was in capital goods. We exited our position in Finnish industrials company Cargotec. The company reported weak quarterly numbers due to component shortages and supply chain issues. While these issues are likely temporary, uncertainty around the merger with Konecranes due to competition concerns from regulators could impact the potential accretion from a tie-up, and diminished the attractiveness of the investment.

Earnings growth should remain strong in 2022, but could slow as profit margins come under pressure from higher wages, rising commodity prices and increasing corporate taxes. Nevertheless, fixing of supply chain issues, a shift in spending from goods back to services, and strong household balance sheets and savings rates mean developed-world consumers are in better shape to support the economic expansion.

As central banks view some of the recent drivers of higher inflation as "sticky" and the progress towards full employment seems encouraging, we could expect a policy normalisation cycle to start in the near term. The outlook remains positive and strong economic growth, accompanied by a relatively accommodative monetary policy, should provide support to equity markets.

^ Source: JPMorgan Asset Management (Singapore) Limited

## FUND FACTS

|                        |  |
|------------------------|--|
| Underlying Sub-Fund    | JPMorgan Funds – Europe Dynamic Fund           |
| Fund Manager           | JPMorgan Asset Management (Singapore) Limited. |
| Launch Date            | 18 Jan 2016                                    |
| CPFIS/SRS              | SRS  |
| CPFIS Risk             | N.A.   |
| Classification         |  |
| As at 31 December 2021 |  |
| Offer Price            | S\$ 1.77563                                    |
| Bid Price              | S\$ 1.68685                                    |
| Fund Size              | S\$ 30.02 mil                                  |
| Units in Issue         | 17.80 mil                                      |

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Europe Dynamic Equity Fund | 6.76         | 6.44         | 23.85         | 55.30         | 45.82         | N.A.           | 68.69                      |
| Benchmark*                                | 6.93         | 7.71         | 22.96         | 53.71         | 60.46         | N.A.           | 87.29                      |

### II Average Annual Compounded Returns

|   | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Europe Dynamic Equity Fund | 15.80         | 7.84          | N.A.           | 9.21                       |
| Benchmark*                                | 15.41         | 9.92          | N.A.           | 11.15                      |

\*MSCI Europe Index (Total Return Net) Hedged to SGD

^Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                          | As at 31 Dec 2021 |              |
|--------------------------------------|-------------------|--------------|
|                                      | % of NAV          | MV S\$ mil   |
| JPMorgan Funds – Europe Dynamic Fund | 100.00            | 30.02        |
| <b>Total</b>                         | <b>100.00</b>     | <b>30.02</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 1,665,309   |
| Redemption   | (5,199,398) |

## C) Underlying Sub-Fund Disclosure (JPMorgan Funds – Europe Dynamic Fund)

### I Allocation by Country

| Country        | As at 31 Dec 2021 |                 |
|----------------|-------------------|-----------------|
|                | % of NAV          | MV S\$ mil      |
| United Kingdom | 19.30             | 236.26          |
| France         | 17.80             | 217.90          |
| Switzerland    | 17.10             | 209.33          |
| Germany        | 15.70             | 192.19          |
| Netherlands    | 7.70              | 94.26           |
| Denmark        | 5.30              | 64.88           |
| Italy          | 3.30              | 40.40           |
| Spain          | 2.50              | 30.60           |
| Others*        | 11.30             | 138.33          |
| <b>Total</b>   | <b>100.00</b>     | <b>1,224.16</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                                 | As at 31 Dec 2021 |                 |
|--|-------------------|-----------------|
|  | % of NAV          | MV S\$ mil      |
| Capital Goods                            | 12.10             | 148.12          |
| Pharmaceuticals Biotechnology & Life Sci | 10.30             | 126.09          |
| Banks                                    | 10.30             | 126.09          |
| Consumer Durables & Apparel              | 8.30              | 101.61          |
| Insurance                                | 6.70              | 82.02           |
| Food Beverage & Tobacco                  | 6.30              | 77.12           |
| Energy                                   | 5.90              | 72.23           |
| Materials                                | 5.00              | 61.21           |
| Others*                                  | 35.10             | 429.68          |
| <b>Total</b>                             | <b>100.00</b>     | <b>1,224.16</b> |

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

N.A.

As at 31 Dec 2021

### IV Top Ten Holdings of Underlying Sub-Fund

|                   | As at 31 Dec 2021 |            |
|-------------------|-------------------|------------|
|                   | % of NAV          | MV S\$ mil |
| Nestle            | 4.90              | 59.98      |
| Roche             | 4.00              | 48.97      |
| Novo Nordisk      | 3.20              | 39.17      |
| LVMH              | 2.90              | 35.50      |
| Koninklijke Ahold | 2.50              | 30.60      |
| TotalEnergies     | 2.40              | 29.38      |
| BP                | 2.20              | 26.93      |
| Allianz           | 2.20              | 26.93      |
| Novartis          | 1.90              | 23.26      |
| BNP Paribas       | 1.90              | 23.26      |

### Top Ten Holdings of Underlying Sub-Fund

|                    | As at 31 Dec 2020 |            |
|--------------------|-------------------|------------|
|                    | % of NAV          | MV S\$ mil |
| Nestle             | 3.20              | 32.31      |
| Novartis           | 2.70              | 27.26      |
| Roche              | 2.40              | 24.23      |
| Deutsche Telekom   | 2.20              | 22.21      |
| ASM International  | 2.00              | 20.19      |
| Siemens            | 1.90              | 19.18      |
| BNP Paribas        | 1.80              | 18.17      |
| Enel               | 1.80              | 18.17      |
| Orsted             | 1.70              | 17.16      |
| Schneider Electric | 1.70              | 17.16      |

### V Exposure to Derivatives

|                                   | As at 30 Jun 2021* |
|-----------------------------------|--------------------|
| % of NAV                          | 0.40%              |
| Market value (S\$)                | 4,923,439          |
| Realised Gains / (Losses) (S\$)   | -                  |
| Unrealised Gains / (Losses) (S\$) | 4,923,439          |

\*Based on unaudited figures as at 30 Jun 2021 as the unaudited figures as at 31 Dec 2021 are not available.

### VI Borrowings of Net Asset Value

Nil.

As at 30 Jun 2021\*

\*Based on unaudited Annual Report of Underlying Sub-Fund as at 30 Jun 2021 as the information as at 31 Dec 2021 is not available.

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Europe Dynamic Equity Fund |                 | Underlying Sub-Fund        |                            |
|---------------------------|---|-----------------|----------------------------|----------------------------|
|                           | As at 31-Dec-21                           | As at 31-Dec-20 | As at 30-Jun-21*           | As at 30-Jun-20**          |
| Expense Ratio             | 1.84%                                     | 1.84%           | 1.80%                      | 1.80%                      |
| Turnover Ratio            | 9.58%                                     | 13.95%          | As at 31-Dec-21<br>101.76% | As at 31-Dec-20<br>168.77% |

\*Based on unaudited figure as at 30 Jun 2021 as the expense ratio of JPMorgan Funds - Europe Dynamic Fund for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Jun 2020 for comparative purposes.

### II Related-Party Transactions

Nil.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### **IV Soft Dollar Commission Arrangement**

The Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

#### **E) Financial Statements**

Refer to page 167 onwards.

**For more information, please contact your financial consultant,  
call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Global Bond Fund

### Fund Objective

HSBC Insurance Global Bond Fund (the "ILP Sub-Fund") seeks to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand.

ILP Sub-Fund investments are by way of a feeder fund, which invests substantially all or all its assets in the Legg Mason Western Asset Global Bond Trust (the "Underlying Sub-Fund).

### Investment and Market Review <sup>^</sup>

Notwithstanding some intra-month volatility, global developed market (DM) government bond yields ended the month higher. Markets were buoyed by reports showing considerably lower hospitalization and death rates associated with the new Covid omicron variant. At the European Central Bank (ECB) meeting, the Governing Council started a gradual reduction of monetary policy stimulus. For 1Q22 (first quarter of 2022), it signalled a reduction in purchases under the Pandemic Emergency Purchase Programme (PEPP) compared to the previous quarter and affirmed that the PEPP will end after March as expected.

For the rest of 2022, the ECB plans to temporarily increase purchases under the standard Asset Purchase Program (APP) from its current €20 billion per month to €40 billion in 2Q, €30 billion in 3Q and back to €20 billion from 4Q22 onward if and as long as necessary. Elsewhere, the Bank of England (BoE) surprised markets by raising the Bank Rate to 0.25%—up 15 basis points (bps)—as Monetary Policy Committee members voted 8-1 in favour of the hike. In the US, at the Federal Open Market Committee (FOMC) meeting, the committee announced that it would double the pace of its tapering program to US\$30 billion per month as had been widely expected. This will see the tapering completed by the end of 1Q22. Moreover, the FOMC median member revised up their interest rate forecast to now see three hikes in 2022.

### Market Outlook and Investment Strategy <sup>^</sup>

We expect global growth to decelerate from the robust 2021 levels as we move into 2022. Contributing factors include a sharp reduction in global fiscal stimulus, a reduction in monetary accommodation by key central banks such as the Federal Reserve (Fed), ECB and BoE, and the persistence of secular-related headwinds that include rising global debt burdens, aging demographics and technology displacement. Inflation overshoots have proven more persistent than anticipated, and remain challenging for policymakers. We expect, however, that the impact of leading inflationary components may ease meaningfully through the course of 2022. While Covid continues to bedevil global populations, as vaccination rates improve around the world, we remain optimistic that the worst is behind us. While the new omicron variant has delayed the reopening of global economies, the recovery has not been derailed and we remain optimistic about spread product performance. In Europe, after a temporary setback due to renewed Covid restrictions, we are looking at a likely growth recovery and rising bond yields as net supply increases in 2022. Portfolios maintain modest exposures to longer-dated US Treasuries (UST) for diversification, and to select high-quality EM issues. Following the significant market repricing of inflation in recent months, global portfolios have initiated short positions in breakeven inflation spreads in the US and Europe to benefit from a decline in inflation expectations. The Firm's bias is to remain modestly overweight corporate bonds, with a bias to banks, select reopening industries where valuations have yet to fully recover and rising-star candidates, where allowed.

<sup>^</sup> Source: Legg Mason Asset Management Singapore Pte. Limited

## FUND FACTS

|                           |   |
|---------------------------|---|
| Underlying Sub-Fund       | Legg Mason Western Asset Global Bond Trust <sup>1</sup> |
| Fund Manager              | Legg Mason Asset Management Singapore Pte. Limited      |
| Launch Date               | 06 Oct 2008   |
| CPFIS/SRS                 | OA/SA/SRS   |
| CPFIS Risk Classification | Low to Medium Risk – Broadly Diversified                |
| As at 31 December 2021    |   |
| Offer Price               | S\$ 1.35696   |
| Bid Price                 | S\$ 1.28911   |
| Fund Size                 | S\$ 6.57 mil  |
| Units in Issue            | 5.10 mil  |

<sup>1</sup> Prior to 1 April 2011, Legg Mason Western Asset Global Bond Trust was known as Legg Mason Global Bond Trust. The Fund Manager was Legg Mason Asset Management Singapore Pte. Limited.

## A) Fund Performance

### I Cumulative Total Returns

|                                 | 3-Mth  | 6-Mth  | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---------------------------------|--------|--------|--------|--------|--------|---------|------------------|
|                                 | (%)    | (%)    | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Bond Fund | (0.27) | (0.36) | (3.40) | 11.36  | 13.30  | 30.93   | 35.70            |
| Benchmark*                      | 0.18   | 0.13   | (2.68) | 12.56  | 16.64  | 41.89   | 47.72            |

### II Average Annual Compounded Returns

|                                 | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---------------------------------|--------|--------|---------|------------------|
|                                 | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Bond Fund | 3.65   | 2.53   | 2.73    | 2.33             |
| Benchmark*                      | 4.02   | 3.13   | 3.56    | 2.99             |

\* Benchmark details:

FTSE WGBI EX JAPAN (CH) (SGD) - BLEND (SGD)

^Inception Date: 09 Oct 2008

## B) Fund Disclosure

### I Allocation by Asset Class

|  | As at 31 Dec 2021 |             |
|--|-------------------|-------------|
| Asset Class                                | % of NAV          | MV S\$ mil  |
| Legg Mason Western Asset Global Bond Trust | 100.00            | 6.57        |
| <b>Total</b>                               | <b>100.00</b>     | <b>6.57</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 178,069   |
| Redemption   | (531,993) |

## C) Underlying Fund Disclosure (Legg Mason Western Asset Global Bond Trust)

### I Allocation by Country

|                 | As at 31 Dec 2021 |               |
|-----------------|-------------------|---------------|
| Country         | % of NAV          | MV S\$ mil    |
| USA             | 48.00             | 155.98        |
| Germany         | 10.95             | 35.58         |
| Spain           | 7.32              | 23.79         |
| Mexico          | 5.05              | 16.41         |
| Great Britain   | 4.90              | 15.92         |
| France          | 4.05              | 13.16         |
| Japan           | 2.99              | 9.72          |
| U Arab Emirates | 2.98              | 9.68          |
| Italy           | 2.60              | 8.45          |
| Others*         | 4.00              | 13.00         |
| Cash            | 7.16              | 23.27         |
| <b>Total</b>    | <b>100.00</b>     | <b>324.95</b> |

\*Includes other countries

### II Allocation by Industry

|              | As at 31 Dec 2021 |               |
|--------------|-------------------|---------------|
| Industry     | % of NAV          | MV S\$ mil    |
| Government   | 91.67             | 297.88        |
| Financials   | 1.24              | 4.03          |
| Others*      | (0.07)            | (0.23)        |
| Cash         | 7.16              | 23.27         |
| <b>Total</b> | <b>100.00</b>     | <b>324.95</b> |

\*Includes other industries and a temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

### III Allocation of Debt Securities by Credit Ratings

| Rating       | As at 31 Dec 2021 |               |
|--------------|-------------------|---------------|
|              | % of NAV          | MV S\$ mil    |
| AAA          | 1.41              | 4.58          |
| AA+          | 1.56              | 5.07          |
| AA           | 7.03              | 22.84         |
| AA-          | 4.46              | 14.49         |
| A+           | 1.60              | 5.20          |
| A            | 56.96             | 185.09        |
| BBB+         | 7.62              | 24.76         |
| BBB-         | 1.60              | 5.20          |
| Unrated      | 10.60             | 34.45         |
| Cash         | 7.16              | 23.27         |
| <b>Total</b> | <b>100.00</b>     | <b>324.95</b> |

### IV Top Ten Holdings of Underlying Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| US Treasury N/B 2.125% 29/02/2024                                     | 7.41              | 24.08      |
| US Treasury N/B 1.625% 15/11/2022                                     | 7.27              | 23.62      |
| Bundesrepub. Deutschland (Br) 1.75% 15/02/2024                        | 6.32              | 20.54      |
| US Treasury N/B 2.250% 15/11/2024                                     | 4.77              | 15.50      |
| US Treasury N/B 2% 31/10/2022   | 3.79              | 12.32      |
| US Treasury 2.875% 15/05/2049   | 3.13              | 10.17      |
| Bundesrepublik Deutschland Bundesanleihe (Reg S) (Br) .25% 15/02/2029 | 3.01              | 9.78       |
| Mex Bonds Desarr Fix Rt Ser M7.75% 13/11/2042                         | 2.94              | 9.55       |
| UK Treasury 4.25% 07/12/2040  | 2.93              | 9.52       |
| Bonos Y Oblig Del Estado (Reg S) 5.9% 30/07/2026                      | 2.78              | 9.03       |

### Top Ten Holdings of Underlying Fund

|   | As at 31 Dec 2020 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| US Treasury N/B 2.125% 29/02/2024                                     | 6.94              | 24.38      |
| US Treasury N/B 1.625% 15/11/2022                                     | 6.72              | 23.57      |
| Bundesrepub. Deutschland (Br) 1.75% 15/02/2024                        | 6.33              | 22.21      |
| US Treasury N/B 2.250% 15/11/2024                                     | 4.50              | 15.78      |
| US Treasury N/B 2% 31/10/2022   | 3.52              | 12.33      |
| US Treasury 2.875% 15/05/2049   | 3.05              | 10.70      |
| Bundesrepublik Deutschland Bundesanleihe (Reg S) (BR) .25% 15/02/2029 | 3.04              | 10.65      |
| Mex Bonds Desarr Fix RT Ser M7.75% 13/11/2042                         | 2.98              | 10.44      |
| UK Treasury 4.25% 07/12/2040  | 2.72              | 9.53       |
| Bonos Y Oblig Del Estado (Reg S) 5.9% 30/07/2026                      | 2.57              | 9.02       |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | (0.07%)           |
| Market value (S\$)                | (223,699)         |
| Realised Gains / (Losses) (S\$)   | -                 |
| Unrealised Gains / (Losses) (S\$) | (223,699)         |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Global Bond Fund |                 | Underlying Fund |                  |
|---------------------------|---------------------------------|-----------------|-----------------|------------------|
|                           | As at 31-Dec-21                 | As at 31-Dec-20 | As at 31-Dec-21 | As at 30-Sep-20* |
| Expense Ratio             | 0.93%                           | 0.94%           | 0.88%           | 0.88%            |
| Turnover Ratio            | 5.53%                           | 9.67%           | 10.07%          | 19.24%           |

\* Based on unaudited figure as at 30 Sep 2020 of Legg Mason Western Asset Global Bond Trust for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

N.A.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

**For more information, please contact your financial consultant,  
call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**



## HSBC Insurance Global Emerging Markets Bond Fund

### Fund Objective

HSBC Insurance Global Emerging Markets Bond Fund (the "ILP Sub -Fund") seeks to maximise total return, consistent with prudent investment management. The ILP Sub-Fund is a diverse portfolio consisting primarily of fixed income securities from issuers in, or economically tied to, emerging or developing countries. Assets may be denominated in US dollars or local currencies.

LP Sub -Fund investments are made by way of a feeder fund through PIMCO Funds: Global Investors Series plc – Emerging Markets Bond Fund (the "Underlying Sub-Fund").

### Investment and Market Review ^

Equities broadly gained over the quarter despite volatility related to elevated inflation risks, rising COVID-19 Omicron variant cases, and shifting central bank expectations. The latter contributed to rising front-end interest rates, which in turn spurred yield curve flattening.

The global economic recovery continued, though momentum slowed alongside the spread of the Omicron variant. Within economies, growth remained varied across sectors given differing impacts of rising COVID cases, supply chain disruptions, and higher energy prices.

Elevated inflation remained a key theme globally throughout the quarter. In the U.S., Consumer Price Index (CPI) reached almost 7% year-over-year in November, its highest level in 39 years. In response to inflationary pressure, Central banks shifted policy focus toward normalization. The Fed increased the pace of tapering its monthly asset purchases – likely marking an earlier end to asset purchases in 2022 – and adjusted its "dot plot" to reflect median expectations for three hikes in 2022. Meanwhile, the BoE hiked interest rates by 15bps to 0.25% in December.

Developed market yield curves broadly flattened as central banks adopted more hawkish stances. In the U.S., long-dated yields fell while front-end yields rose meaningfully. Credit spreads widened, while global equities rallied – the S&P was up 11% – bolstered by strong corporate earnings, as well as some indications of less severe disease and hospitalization from Omicron. Meanwhile, sustained supply chain issues and depleted energy inventories, coupled with strong energy demand in Asia drove up energy prices.

### Market Outlook and Investment Strategy ^

PIMCO remains constructive on EM beta. The post COVID downgrade cycle is largely over and most economies are growing above trend with policymakers focused on repairing balance sheets and fundamentals. Trend growth is lower than it was pre GFC but still well above developed markets.

Emerging markets should continue to be supported by a variety of macro push factors (such as global liquidity, higher commodity prices, vaccine deployment, and continued return of overseas tourism) as well as pull factors (such as attractive valuations and high real yield differentials between developing and developed economies).

However, the turn in the global central bank monetary cycle towards removing accommodation, which has been picking up steam, will likely lead to higher U.S. Treasury yields and a stronger dollar both headwinds for EM local assets but ones that have been largely priced in given developments in Q4. That being said, markets are watching closely for more clarity on the path of the Fed's tightening cycle. Other than these global macro uncertainties, we will be watching a number of non systemic, country level uncertainties (e.g. elections in Brazil, the Ukraine/Russia conflict, heterodox policymaking in Turkey, etc.)

^ Source: PIMCO Global Advisors (Ireland) Limited

## FUND FACTS

|   |   |
|---|---|
| Underlying Sub-Fund   | PIMCO Emerging Markets Bond Fund        |
| Fund Manager  | PIMCO Global Advisors (Ireland) Limited |
| Launch Date   | 28 Jan 2013                             |
| CPFIS/SRS   | SRS                                     |
| CPFIS Risk  | N.A.                                    |
| Classification  |   |
| As at 31 December 2021  |   |
| Offer Price   | S\$ 1.11923                             |
| Bid Price   | S\$ 1.06327                             |
| Fund Size   | S\$ 1.26 mil                            |
| Units in Issue  | 1.19 mil                                |
| Note: With effect from 20 July 2020, the Underlying Sub-Fund of HSBC Insurance Global Emerging Markets Bond Fund, HSBC Global Investment Funds – Global Emerging Markets Bond was replaced with PIMCO Emerging Markets Bond Fund. |   |

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Global Emerging<br>Markets Bond Fund | (1.32)       | (2.09)       | (3.22)        | 9.90          | 7.91          | N.A.           | 11.92                      |
| Benchmark*  | 0.02         | (0.52)       | (1.51)        | 19.32         | N.A.          | N.A.           | 23.90                      |

### II Average Annual Compounded Returns

|  | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Global Emerging Markets Bond Fund | 3.20          | 1.53          | N.A.           | 1.27                       |
| Benchmark*                                       | 6.06          | N.A.          | N.A.           | 2.44                       |

\*Since inception figures are not available due to the change in underlying fund. Performance figures are based on the new benchmark JPMorgan Emerging Markets Bond Index (EMBI) Global with effect from July 2020.

^Inception Date: 06 Feb 2013

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                                     | As at 31 Dec 2021<br>% of NAV | MV S\$ mil  |
|---|-------------------------------|-------------|
| PIMCO Emerging Markets Bond Fund Acc SGD Hedged | 100.00                        | 1.26        |
| <b>Total</b>                                    | <b>100.00</b>                 | <b>1.26</b> |

### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 135,281   |
| Redemption   | (509,807) |

## C) Underlying Sub-Fund Disclosure (PIMCO Emerging Markets Bond Fund)

### I Allocation by Country

| Country       | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|---------------|-------------------------------|-----------------|
| United States | 17.27                         | 1,098.43        |
| Ireland       | 9.83                          | 624.85          |
| Mexico        | 8.18                          | 520.06          |
| Brazil        | 7.99                          | 508.01          |
| Indonesia     | 7.77                          | 494.10          |
| Saudi Arabia  | 4.84                          | 307.64          |
| Turkey        | 4.65                          | 295.49          |
| Peru          | 4.25                          | 270.55          |
| Egypt         | 4.09                          | 259.97          |
| Others*       | 31.13                         | 1,980.12        |
| <b>Total</b>  | <b>100.00</b>                 | <b>6,359.22</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                               | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|--|-------------------------------|-----------------|
| EM External Sovereigns                 | 51.51                         | 3,275.49        |
| EM External Quasi-Sovereigns           | 24.90                         | 1,583.13        |
| EM External Corporates                 | 11.74                         | 746.39          |
| EM External Short Duration Instruments | 3.47                          | 220.89          |
| EM Local Sovereigns                    | 2.91                          | 185.07          |
| EM Local Corporates                    | 1.02                          | 64.53           |
| Others*                                | 4.46                          | 283.72          |
| <b>Total</b>                           | <b>100.00</b>                 | <b>6,359.22</b> |

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

| Ratings      | As at 31 Dec 2021 |                 |
|--------------|-------------------|-----------------|
|              | % of NAV          | MV S\$ mil      |
| AAA          | 10.74             | 682.78          |
| AA           | 9.29              | 590.84          |
| A            | 9.16              | 582.28          |
| BBB          | 28.98             | 1,842.74        |
| BB           | 21.89             | 1,391.94        |
| B            | 15.87             | 1,009.29        |
| CCC          | 4.08              | 259.36          |
| <b>Total</b> | <b>100.00</b>     | <b>6,359.22</b> |

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 30 Sep 2021 <sup>∞</sup> |            |
|---|--------------------------------|------------|
|   | % of NAV                       | MV S\$ mil |
| South Afirca (Rep) Bd Ser R186          | 1.76                           | 112.04     |
| Pemex Sr Unsec                          | 1.24                           | 79.08      |
| Republic Of Turkey Sr Unsec             | 1.04                           | 65.90      |
| Hazine Mustesarilgi Varl Sr Unsec Regs  | 1.04                           | 65.90      |
| Mexico Govt (Ums) Gbl Sr Nt             | 0.93                           | 59.31      |
| Pemex Sr Unsec                          | 0.93                           | 59.31      |
| Southern Gas Corridor Gov Gtd Unsec Reg | 0.83                           | 52.72      |
| Saudi Arabian Oil Co Sr Unsec Regs      | 0.83                           | 52.72      |
| Republic Of Argentina                   | 0.83                           | 52.72      |
| Pemex Sr Unsec                          | 0.83                           | 52.72      |

<sup>∞</sup> Based on unaudited figures as at 30 Sep 2021 as the data as at 31 Dec 2021 is not available.

### Top Ten Holdings of Underlying Sub-Fund

|   | As at 30 Sep 2020 <sup>∞</sup> |            |
|---|--------------------------------|------------|
|   | % of NAV                       | MV S\$ mil |
| Saudi International Bond Regs           | 1.22                           | 84.71      |
| Pemex Sr Unsec Regs **144A Exchange**   | 0.98                           | 67.76      |
| Russia Foreign Bond Sr Unsec Regs       | 0.81                           | 56.47      |
| Republic Of Argentina                   | 0.81                           | 56.47      |
| Mexico Govt (Ums) Gbl Sr Nt             | 0.73                           | 50.82      |
| Republic Of Turkey Sr Unsec             | 0.73                           | 50.82      |
| Pemex Sr Unsec Regs **144A Exchange**   | 0.65                           | 45.18      |
| Pemex Sr Unsec Regs **144A Exchange**   | 0.65                           | 45.18      |
| Republic Of Argentina                   | 0.57                           | 39.53      |
| Southern Gas Corridor Gov Gtd Unsec Reg | 0.57                           | 39.53      |

<sup>∞</sup> Based on unaudited figures as at 30 Sep 2021 as the data as at 31 Dec 2021 is not available.

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 19.30%            |
| Market value (S\$)                | 1,227,329,322     |
| Realised Gains / (Losses) (S\$)   | -                 |
| Unrealised Gains / (Losses) (S\$) | -                 |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

**D) Other Disclosure Items**

| <b>I) Expense/Turnover Ratios</b> | <b>HSBC Insurance Global Emerging Markets Bond Fund</b> |                        | <b>Underlying Sub-Fund<sup>^</sup></b> |                                       |
|-----------------------------------|---|------------------------|--|---------------------------------------|
|                                   | <b>As at 31-Dec-21</b>                                  | <b>As at 31-Dec-20</b> | <b>As at 31-Dec-21</b>                 | <b>As at 30-Jun-20<sup>**</sup></b>   |
| Expense Ratio                     | 1.73%   | 1.69%                  | 1.69%                                  | 1.65%                                 |
| Turnover Ratio                    | 21.71%  | 119.17%                | As at 31-Dec-20 <sup>*</sup> 110.00%   | As at 31-Dec-19 <sup>***</sup> 66.00% |

\* Based on audited figure as at 31 Dec 2020 as the expense ratio of PIMCO Emerging Markets Bond Fund Acc SGD Hedged for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Jun 2020 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond for the financial year ended 31 Dec 2020 is not available.

\*\*\* Based on audited figure as at 31 Dec 2019 as the turnover ratio of HSBC Global Investment Funds – Global Emerging Markets Bond for the financial year ended 31 Dec 2020 is not available.

<sup>^</sup>The underlying fund was replaced from HSBC GIF Global Emerging Markets Bond Fund to PIMCO Emerging Markets Bond Fund Acc SGD Hedged with effect from 20 July 2020.

**II Related-Party Transactions**

Nil.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Global Emerging Markets Equity Fund

### Fund Objective

HSBC Insurance Global Emerging Markets Equity Fund (the “ILP Sub -Fund”) seeks to provide long-term capital growth by investing primarily in emerging market companies.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds – Emerging Markets Equity (“Underlying Sub-Fund”).

### Investment and Market Review ^

Global equities rode the tailwinds of strong seasonality to end 2021 on a high. The transition of the Federal Reserve to a more hawkish outlook than the futures market underscored an intensification of risks, which, however, were fended off by still high absolute levels of global growth and seasonal trends, pushing global equities close to all-time highs.

### Market Outlook and Investment Strategy ^

The year has started with a mix of risks and optimism. The Covid Omicron variant has dampened recent sentiment but consumers, labour markets and business activity throughout the world have remained strong on the whole. 2022 is poised to be different to 2021 in a few key ways: the US Federal Reserve will be tightening monetary policy while China is expected to be more accommodative, and this stimulus from China should be supportive of emerging markets. The expectation of sustained higher inflation after this year would affect households, central bank policy and asset markets, which is likely to drive market volatility.

^ Source: JPMorgan Asset Management (Singapore) Limited

## FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | JPMorgan Funds – Emerging Markets Equity Fund  |
| Fund Manager              | JPMorgan Asset Management (Singapore) Limited. |
| Launch Date               | 18 Jan 2016                                    |
| CPFIS/SRS                 | SRS  |
| CPFIS Risk Classification | N.A.   |
| As at 31 December 2021    |  |
| Offer Price               | S\$ 2.24357                                    |
| Bid Price                 | S\$ 2.13139                                    |
| Fund Size                 | S\$ 20.06 mil                                  |
| Units in Issue            | 9.41 mil                                       |

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth  | 6-Mth   | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|--|--------|---------|--------|--------|--------|---------|------------------------------|
|  | (%)    | (%)     | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Global Emerging Markets Equity Fund | (5.90) | (12.74) | (8.16) | 52.97  | 71.94  | N.A.    | 113.14                       |
| Benchmark*   | (2.00) | (9.03)  | (0.59) | 35.05  | 49.44  | N.A.    | 85.35                        |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|--|--------|--------|---------|------------------------------|
|  | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Global Emerging Markets Equity Fund | 15.22  | 11.45  | N.A.    | 13.74                        |
| Benchmark*   | 10.54  | 8.37   | N.A.    | 11.07                        |

\*Benchmark details:

MSCI Emerging Markets Index (Total Return Net)

<sup>^</sup>Inception Date: 16 Feb 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                                   | As at 31 Dec 2021<br>% of NAV | MV S\$ mil   |
|---|-------------------------------|--------------|
| JPMorgan Funds – Emerging Markets Equity Fund | 100.00                        | 20.06        |
| <b>Total</b>                                  | <b>100.00</b>                 | <b>20.06</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)  
S\$

|              |             |
|--------------|-------------|
| Subscription | 3,262,498   |
| Redemption   | (2,666,102) |

## C) Underlying Sub-Fund Disclosure (JPMorgan Funds – Emerging Markets Equity Fund)

### I Allocation by Country

| Country      | As at 31 Dec 2021<br>% of NAV | MV S\$ mil       |
|--------------|-------------------------------|------------------|
| China        | 40.80                         | 6,298.34         |
| India        | 18.00                         | 2,778.68         |
| Taiwan       | 10.40                         | 1,605.46         |
| South Korea  | 6.90                          | 1,065.16         |
| Indonesia    | 3.00                          | 463.11           |
| Argentina    | 2.80                          | 432.24           |
| Belarus      | 2.80                          | 432.24           |
| Singapore    | 1.90                          | 293.31           |
| Others*      | 9.90                          | 1,528.27         |
| Cash         | 3.50                          | 540.30           |
| <b>Total</b> | <b>100.00</b>                 | <b>15,437.11</b> |

\*Includes other countries

### II Allocation by Industry

| Industry               | As at 31 Dec 2021<br>% of NAV | MV S\$ mil       |
|------------------------|-------------------------------|------------------|
| Information Technology | 25.80                         | 3,982.77         |
| Financials             | 20.60                         | 3,180.04         |
| Consumer Discretionary | 15.70                         | 2,423.63         |
| Communication Services | 9.40                          | 1,451.09         |
| Consumer Staples       | 7.20                          | 1,111.47         |
| Industrials            | 5.50                          | 849.04           |
| Health Care            | 5.10                          | 787.29           |
| Materials              | 3.90                          | 602.05           |
| Others*                | 3.30                          | 509.43           |
| Cash                   | 3.50                          | 540.30           |
| <b>Total</b>           | <b>100.00</b>                 | <b>15,437.11</b> |

\*Includes other industries

|  |                           |                   |
|--|---------------------------|-------------------|
| <b>III Allocation of Debt Securities by Credit Ratings</b> | <b>As at 31 Dec 2021</b>  |                   |
| N.A.   |                           |                   |
| <b>IV Top Ten Holdings of Underlying Sub-Fund</b>          | <b>As at 31 Dec 2021</b>  |                   |
|  | <b>% of NAV</b>           | <b>MV S\$ mil</b> |
| Taiwan Semiconductor                                       | 7.80                      | 1,204.09          |
| Samsung Electronics  | 5.10                      | 787.29            |
| Tencent  | 4.30                      | 663.80            |
| HDFC Bank  | 3.30                      | 509.43            |
| HDFC   | 3.00                      | 463.11            |
| MercadoLibre   | 2.80                      | 432.24            |
| EPAM Systems   | 2.80                      | 432.24            |
| Techtronic Industries                                      | 2.80                      | 432.24            |
| JD.com   | 2.70                      | 416.80            |
| Meituan  | 2.60                      | 401.37            |
| <b>Top Ten Holdings of Underlying Sub-Fund</b>             | <b>As at 31 Dec 2020</b>  |                   |
|  | <b>% of NAV</b>           | <b>MV S\$ mil</b> |
| Samsung Electronics  | 5.20                      | 872.08            |
| Taiwan Semiconductor                                       | 5.20                      | 872.09            |
| Alibaba  | 4.70                      | 788.23            |
| Tencent  | 3.80                      | 637.29            |
| HDFC Bank  | 3.50                      | 586.98            |
| Sea  | 3.30                      | 553.44            |
| HDFC   | 3.10                      | 519.90            |
| WuXi Biologics   | 2.90                      | 486.36            |
| MercadoLibre   | 2.90                      | 486.36            |
| Meituan  | 2.80                      | 469.59            |
| <b>V Exposure to Derivatives</b>                           | <b>As at 30 Jun 2021*</b> |                   |
| % of NAV   | (0.06)%                   |                   |
| Market value (S\$)   | (9,631,219)               |                   |
| Realised Gains / (Losses) (S\$)                            | -                         |                   |
| Unrealised Gains / (Losses) (S\$)                          | (9,631,219)               |                   |
| <b>VI Borrowings of Net Asset Value</b>                    | <b>As at 30 Jun 2021*</b> |                   |
| N.A.   |                           |                   |

\*Based on audited figures as at 30 Jun 2021 as the unaudited figures as at 31 Dec 2021 are not available.

|                                  |   |                        |                            |                          |
|----------------------------------|---|------------------------|----------------------------|--------------------------|
| <b>D) Other Disclosure Items</b> |   |                        |                            |                          |
| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Global Emerging Markets Equity Fund</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|                                  | <b>As at 31-Dec-21</b>                                    | <b>As at 31-Dec-20</b> | <b>As at 30-Jun-21*</b>    | <b>As at 30-Jun-20**</b> |
| Expense Ratio                    | 1.84%   | 1.84%                  | 1.80%                      | 1.80%                    |
| Turnover Ratio                   | 18.39%  | 11.11%                 | 26.01%                     | 17.05%                   |

\*Based on unaudited figures as at 30 Jun 2021 as the expense and turnover ratios of JPMorgan Funds - Emerging Markets Equity Fund for the financial year ended 31 Dec 2021 are not available.

\*\* Based on unaudited figures as at 30 Jun 2020 for comparative purposes.

|  |      |
|--|------|
| <b>II Related-Party Transactions</b>   | Nil. |
| <b>III Material Information that will adversely impact the valuation of the ILP sub-fund</b> | Nil. |

#### **IV Soft Dollar Commission Arrangement**

The Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

#### **E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Global Equity Fund

### Fund Objective

HSBC Insurance Global Equity Fund (the "ILP Sub-Fund") seeks to achieve long-term growth of capital by investing in a portfolio of equity securities.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the AllianceBernstein - Global Equity Blend Portfolio ("Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

Global equities, as measured by the MSCI\* World Index, rose 7.8% in the six-month period ended December 31, 2021, in US-dollar terms. Emerging markets declined during the six-month period. Global markets were supported by accommodative monetary policy and strong company earnings growth, while economic turbulence in China, geopolitical risks and inflation pressured emerging markets. Increased market volatility periodically sent risk assets lower, but investors continued to buy the dip. Toward the end of the period, global markets fell as the rapid spread of the coronavirus omicron variant triggered concern that new restrictions could derail the economic recovery. Encouraging developments in COVID-19 treatments and vaccines and a reluctance to reinstate shutdowns helped investors look past the potential impact of the omicron variant. Stock markets gave back gains, however, after the US Federal Reserve (the "Fed") took a hawkish pivot and confirmed that it would accelerate the wind-down of its bond purchases and raise rates multiple times in 2022. After digesting the Fed's comments, equity markets rose as investors appeared to adjust to the shift and remained focused on still generally supportive monetary policy. Growth outperformed value, in terms of style, and large-cap stocks outperformed their small-cap peers

### Market Outlook and Investment Strategy <sup>^</sup>

As the world begins to normalize, economic growth will probably face many of the same challenges that prevailed before the pandemic. For now, the recovery trajectory provides plenty of room for stocks to advance, in our view. However, it is important to be mindful of risks due to rising inflation and interest rates as economic growth continues as well as fears of a pause in reopening as the coronavirus omicron variant delays travel and return-to-office plans. In this environment, we expect style volatility to remain at elevated levels. Our balanced style approach helps our Portfolio perform well across a variety of economic environments and provides a more consistent premium. Not only do we continue to hold high-quality growth companies that should perform well in this low-growth environment, but we also are able to find companies trading at extremely attractive valuations. As the world begins to normalize, economic growth will probably face many of the same challenges that prevailed before the pandemic. For now, the recovery trajectory provides plenty of room for stocks to advance, in our view. However, it is important to be mindful of risks due to rising inflation and interest rates as economic growth continues as well as fears of a pause in reopening as the coronavirus omicron variant delays travel and return-to-office plans. In this environment, we expect style volatility to remain at elevated levels. Our balanced style approach helps our Portfolio perform well across a variety of economic environments and provides a more consistent premium. Not only do we continue to hold high-quality growth companies that should perform well in this low-growth environment, but we also are able to find companies trading at extremely attractive valuations.

<sup>^</sup> Source: AllianceBernstein (Luxembourg) S.à r.l.

### FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | AllianceBernstein- Global Equity Blend Portfolio |
| Fund Manager              | AllianceBernstein (Luxembourg) S.à r.l.          |
| Launch Date               | 6 Oct 2008                                       |
| CPFIS/SRS*                | SRS  |
| CPFIS Risk Classification | N.A.   |
| As at 31 December 2021    |  |
| Offer Price               | S\$ 2.73464                                      |
| Bid Price                 | S\$ 2.59791                                      |
| Fund Size                 | S\$ 84.02 mil                                    |
| Units in Issue            | 32.34 mil  |

\*Note: With effect from 31 Aug 2016, the ILP Sub-Fund has been delisted from CPFIS.

## A) Fund Performance

### I Cumulative Total Returns

|                                   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|-----------------------------------|-------|-------|--------|--------|--------|---------|------------------|
|                                   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Equity Fund | 5.19  | 6.53  | 21.99  | 78.29  | 84.46  | 205.28  | 173.46           |
| Benchmark*                        | 7.02  | 8.07  | 24.26  | 78.29  | 87.95  | 243.63  | 297.75           |

### II Average Annual Compounded Returns

|                                   | 3-Year | 5-Year | 10-Year | Since Inception^ |
|-----------------------------------|--------|--------|---------|------------------|
|                                   | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Equity Fund | 21.26  | 13.03  | 11.81   | 7.91             |
| Benchmark*                        | 21.26  | 13.45  | 13.14   | 11.05            |

\* Benchmark details:

MSCI World Net Index (in S\$)

^Inception Date: 16 Oct 2008

## B) Fund Disclosure

### I Allocation by Asset Class

|   | As at 31 Dec 2021 |              |
|---|-------------------|--------------|
| Asset Class   | % of NAV          | MV S\$ mil   |
| AllianceBernstein - Global Equity Blend Portfolio, S1 class | 100.10            | 84.10        |
| Other assets  | 0.06              | 0.05         |
| Other liabilities   | (0.16)            | (0.13)       |
| <b>Total</b>  | <b>100.00</b>     | <b>84.02</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 535,786     |
| Redemption   | (5,026,336) |

## C) Underlying Sub-Fund Disclosure (AllianceBernstein- Global Equity Blend Portfolio)

### I Allocation by Country

|                | As at 31 Dec 2021 |               |
|----------------|-------------------|---------------|
| Country        | % of NAV          | MV S\$ mil    |
| United States  | 57.34             | 102.88        |
| Netherlands    | 3.93              | 7.05          |
| China          | 3.81              | 6.83          |
| Japan          | 3.62              | 6.49          |
| Switzerland    | 3.46              | 6.21          |
| United Kingdom | 3.06              | 5.49          |
| France         | 2.90              | 5.21          |
| Germany        | 2.42              | 4.34          |
| India          | 1.73              | 3.11          |
| Others*        | 17.72             | 31.79         |
| <b>Total</b>   | <b>100.00</b>     | <b>179.40</b> |

\*Includes other countries and other assets less liabilities

| II Allocation by Industry | As at 31 Dec 2021 |               |
|---------------------------|-------------------|---------------|
|                           | % of NAV          | MV S\$ mil    |
| Information Technology    | 23.96             | 42.98         |
| Industrials               | 17.71             | 31.77         |
| Health Care               | 15.11             | 27.11         |
| Financials                | 12.81             | 22.97         |
| Consumer Discretionary    | 12.25             | 21.97         |
| Utilities                 | 5.17              | 9.28          |
| Communication Services    | 2.93              | 5.26          |
| Consumer Staples          | 2.89              | 5.18          |
| Materials                 | 2.66              | 4.78          |
| Real Estate               | 1.48              | 2.66          |
| Energy                    | 1.00              | 1.79          |
| Others*                   | 2.03              | 3.64          |
| <b>Total</b>              | <b>100.00</b>     | <b>179.40</b> |

\*Includes other assets less liabilities

**III Allocation of Debt Securities by Credit Ratings**  
N.A.

| IV Top Ten Holdings of Underlying Sub-Fund | As at 31 Dec 2021 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Roche Holding AG                           | 1.66              | 2.97       |
| NXP Semiconductors NV                      | 1.51              | 2.71       |
| SVB Financial Group                        | 1.42              | 2.55       |
| Western Digital Corp.                      | 1.41              | 2.53       |
| Visa, Inc. - Class A                       | 1.38              | 2.47       |
| Comcast Corp. - Class A                    | 1.30              | 2.33       |
| Waste Management, Inc.                     | 1.27              | 2.27       |
| Lumentum Holdings, Inc.                    | 1.26              | 2.26       |
| Laboratory Corp. of America Holdings       | 1.25              | 2.24       |
| Oracle Corp.                               | 1.24              | 2.22       |

| Top Ten Holdings of Underlying Sub-Fund | As at 31 Dec 2020 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| Apple, Inc.                             | 2.33              | 3.61       |
| Microsoft Corp.                         | 2.13              | 3.30       |
| Flex Ltd.                               | 1.44              | 2.23       |
| Infineon Technologies AG                | 1.38              | 2.14       |
| NextEra Energy, Inc.                    | 1.27              | 1.97       |
| Koninklijke Philips NV                  | 1.25              | 1.94       |
| Vestas Wind Systems A/S                 | 1.23              | 1.91       |
| NXP Semiconductors NV                   | 1.21              | 1.87       |
| ICON plc                                | 1.16              | 1.80       |
| Xylem, Inc./NY                          | 1.10              | 1.71       |

| V Exposure to Derivatives         | As at 31 Dec 2021 |       |
|-----------------------------------|-------------------|-------|
|                                   | % of NAV          | (*)%  |
| Market value (S\$)                |                   | (313) |
| Realised Gains / (Losses) (S\$)   |                   | -     |
| Unrealised Gains / (Losses) (S\$) |                   | (313) |
| *Less than 0.01%                  |                   |       |

| VI Borrowings of Net Asset Value | As at 31 Dec 2021  |       |
|----------------------------------|--|-------|
|                                  | Use of borrowing in % of Underlying Sub-Fund's Total Net Asset |       |
|                                  |  | 0.40% |

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Global Equity Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|-----------------------------------|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                   | As at 31-Dec-20 | As at 31-Aug-21*    | As at 31-Aug-20** |
| Expense Ratio             | 1.74%                             | 1.74%           | 0.80%               | 0.80%             |
| Turnover Ratio            | 1.63%                             | 2.44%           | 41.44%              | 50.82%            |

\*Based on audited figures as at 31 Aug 2021 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 31 Dec 2021 are not available.

\*\*Based on audited figures as at 31 Aug 2020 for comparative purposes.

#### II Related-Party Transactions

Nil.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

For the period ended 31 December 2021, the Investment Manager does receive and has entered into soft-dollar commissions/arrangements with brokers relating to portfolios of the Underlying Fund that invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received. The soft commission arrangements were entered into on the basis that the execution of transactions on behalf of the Underlying Fund will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. The goods and services received include specialist industry, company and consumer research, portfolio and market analysis and computer software used for the delivery of such services.

The nature of the goods and services received is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Underlying Fund and may contribute to an improvement in the Underlying Fund's performance.

For the avoidance of doubt, such goods and services do not include travel, accommodations, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Disclosure of soft commission arrangements will be made in the periodic reports of the Underlying Fund.

#### E) Financial Statements

Refer to page 167 onwards.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Global Sustainable Equity Portfolio Fund

### Fund Objective

HSBC Insurance Global Sustainable Equity Portfolio Fund (the "ILP Sub-Fund") seeks to achieve long-term capital growth. The ILP Sub-Fund pursues opportunistic growth by investing in a global universe of companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes. A combination of "top-down" and "bottom-up" investment processes identifies sustainable investment themes that are broadly consistent with achieving the United Nations Sustainable Development Goals.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the AB Sustainable Global Thematic Portfolio (the "Underlying Sub-Fund").

## FUND FACTS

|                                  |   |           |
|----------------------------------|---|-----------|
| Underlying Sub-Fund <sup>1</sup> | AB Sustainable Global Thematic Portfolio* AllianceBernstein (Luxembourg) S.à r.l. |           |
| Fund Manager                     | 18 Jan 2016   |           |
| Launch Date                      | SRS   |           |
| CPFIS/SRS                        | N.A.  |           |
| CPFIS Risk Classification        |   |           |
| As at 31 December 2021           |   |           |
| Offer Price                      | S\$   | 1.98835   |
| Bid Price                        | S\$   | 1.88893   |
| Fund Size                        | S\$   | 15.81 mil |
| Units in Issue                   |   | 8.37 mil  |

<sup>1</sup> With effect from 7 April 2021, the Underlying Sub-Fund of HSBC Insurance Global Sustainable Equity Portfolio Fund, HSBC Global Investment Funds – Economic Scale Global Equity Fund was replaced with AB Sustainable Global Thematic Portfolio.

## Investment and Market Review ^

Global equities rose at a double-digit pace for the third straight year in 2021, but the ride was anything but smooth. The year began with a violent assault on the US Capitol and ended with the rapid spread of a new, highly transmissible coronavirus variant. The new year promises continued volatility in markets. Economic growth is decelerating as fiscal and monetary support is gradually being withdrawn around the world. Rising inflation and interest rates, lingering supply-chain pressures, persistent labor shortages and simmering geopolitical tensions will contribute to a very challenging backdrop for investors. Economic and corporate earnings growth are expected to decline in 2022. After rising from -3.1% in 2020 to 5.9% in 2021 on the back of successful central bank intervention, global GDP is expected to decelerate to 4.4% growth in 2022 and 3.6% in 2023 as stimulus is withdrawn. Corporate earnings look to follow a similar pattern, with consensus expectations for high single-digit earnings for the S&P 500\*, for example, following above 40% growth in 2021. Softening PMI readings support the expectation for relatively strong but slowing growth. This deceleration is particularly important for equity investors, as 2021's market gains were driven primarily by earnings growth rather than price/earnings expansion.

## Market Outlook and Investment Strategy ^

As we head into 2022 a number of challenges await. Rising inflation is pressuring central banks to hike rates, surging COVID-19 cases threaten to reshutter economies and borders, and the lack of progress on a massive social and economic infrastructure program in the US creates more uncertainty heading into mid-year elections. This is a recipe for more volatility as the year progresses. Rather than try to time macro shifts (which, historically, is very difficult to do), we think investors can benefit by focusing on companies associated with our three sustainable investment themes—Climate, Health and Empowerment—which are supported by powerful, long-term secular tailwinds that are less dependent on where we are in the economic cycle. Currently, 137 countries around the world have made net-zero carbon pledges by midcentury. Companies that provide the solutions to help countries achieve their net-zero ambitions, including clean energy, sustainable transportation and resource-efficiency solutions, have strong multidecade growth opportunities. Today, less than half of the global population is covered by essential healthcare services, and roughly one quarter is food insecure and lacks access to safely managed drinking water. Health-related themes like broadening access to healthcare, food security and clean water benefit from similarly attractive long-term demand. And as the global population swells by midcentury, we will be faced with massive Empowerment challenges in regard to housing, educating, transporting, employing and building the economic resilience of roughly three billion additional people. Forecasting short-term twists and turns in the economic cycle with any accuracy or consistency has always been challenging. It's been even tougher to consistently predict how market participants will react—or overreact—to changes in the real economy.

^ Source: AllianceBernstein L.P.

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|-------|-------|--------|--------|--------|---------|------------------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Global Sustainable Equity Portfolio Fund | 8.41  | 10.55 | 29.12  | 60.46  | 59.82  | N.A.    | 88.89                        |
| Benchmark*  | 5.93  | 5.86  | 20.91  | 72.56  | 82.82  | N.A.    | 117.05                       |

### II Average Annual Compounded Returns

|   | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|--------|--------|---------|------------------------------|
|   | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Global Sustainable Equity Portfolio Fund | 17.07  | 9.83   | N.A.    | 11.35                        |
| Benchmark*  | 19.94  | 12.82  | N.A.    | 14.19                        |

\* Benchmark details:

MSCI World Net with effect from 25 October 2017.

Prior to 25 October 2017, the benchmark was HSBC Economic Scale Index World.

<sup>^</sup>Inception Date: 02 Feb 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                                  | As at 31 Dec 2021<br>% of NAV | MV S\$ mil   |
|--|-------------------------------|--------------|
| AB Sustainable Global Thematic Class A SGD H | 99.94                         | 15.80        |
| Other assets                                 | 0.06                          | 0.01         |
| <b>Total</b>                                 | <b>100.00</b>                 | <b>15.81</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)  
S\$

|              |             |
|--------------|-------------|
| Subscription | 1,616,739   |
| Redemption   | (2,235,699) |

## C) Underlying Sub-Fund Disclosure (AB Sustainable Global Thematic Fund)

### I Allocation by Country

| Country       | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|---------------|-------------------------------|-----------------|
| United States | 59.81                         | 3,857.74        |
| Netherlands   | 6.66                          | 429.78          |
| Switzerland   | 3.62                          | 233.33          |
| India         | 3.47                          | 223.97          |
| Denmark       | 3.33                          | 215.08          |
| Japan         | 3.02                          | 194.96          |
| Germany       | 2.97                          | 191.78          |
| Austria       | 2.39                          | 153.87          |
| France        | 2.07                          | 133.34          |
| Others*       | 12.66                         | 816.41          |
| <b>Total</b>  | <b>100.00</b>                 | <b>6,450.27</b> |

\*Includes other countries

| <b>II Allocation by Industry</b> |                 | <b>As at 31 Dec 2021</b> |  |
|----------------------------------|-----------------|--------------------------|--|
| <b>Industry</b>                  | <b>% of NAV</b> | <b>MV S\$ mil</b>        |  |
| Information Technology           | 30.12           | 1,942.95                 |  |
| Industrials                      | 19.57           | 1,262.53                 |  |
| Health Care                      | 19.05           | 1,228.62                 |  |
| Financials                       | 12.19           | 785.95                   |  |
| Consumer Discretionary           | 7.61            | 491.13                   |  |
| Utilities                        | 3.92            | 252.96                   |  |
| Materials                        | 2.97            | 191.48                   |  |
| Consumer Staples                 | 1.15            | 74.11                    |  |
| Others*                          | 3.42            | 220.54                   |  |
| <b>Total</b>                     | <b>100.00</b>   | <b>6,450.27</b>          |  |

**III Allocation of Debt Securities by Credit Ratings**  
N.A.

| <b>IV Top Ten Holdings of Underlying Sub- Fund</b> |                 | <b>As at 31 Dec 2021</b> |  |
|--|-----------------|--------------------------|--|
|  | <b>% of NAV</b> | <b>MV S\$ mil</b>        |  |
| SVB Financial Group                                | 2.84            | 183.43                   |  |
| Waste Management, Inc.                             | 2.54            | 163.52                   |  |
| Lumentum Holdings, Inc.                            | 2.52            | 162.58                   |  |
| Laboratory Corp. of America Holdings               | 2.50            | 161.36                   |  |
| Calix, Inc.  | 2.45            | 158.20                   |  |
| Danaher Corp.                                      | 2.45            | 158.09                   |  |
| Erste Group Bank AG                                | 2.39            | 153.87                   |  |
| MSCI, Inc. - Class A                               | 2.38            | 153.62                   |  |
| Motorola Solutions, Inc.                           | 2.34            | 150.92                   |  |
| Rockwell Automation, Inc.                          | 2.26            | 145.93                   |  |

| <b>Top Ten Holdings of Underlying Sub-Fund</b> |                 | <b>As at 31 Dec 2020</b> |  |
|--|-----------------|--------------------------|--|
|  | <b>% of NAV</b> | <b>MV S\$ mil</b>        |  |
| Walmart Inc                                    | 1.69            | 2.34                     |  |
| Apple Inc                                      | 1.09            | 1.51                     |  |
| JPMorgan Chase & Co                            | 0.82            | 1.14                     |  |
| General Electric Co                            | 0.82            | 1.14                     |  |
| Wells Fargo & Co                               | 0.82            | 1.13                     |  |
| Volkswagen AG                                  | 0.81            | 1.12                     |  |
| AT&T Inc                                       | 0.79            | 1.09                     |  |
| Royal Dutch Shell PLC                          | 0.76            | 1.06                     |  |
| Bank of America Corp                           | 0.74            | 1.03                     |  |
| NTT  | 0.62            | 0.86                     |  |

| <b>V Exposure to Derivatives</b>  |  | <b>As at 31 Dec 2021</b> |  |
|-----------------------------------|--|--------------------------|--|
| % of NAV                          |  | 0.06%                    |  |
| Market value (S\$)                |  | 4,087,288                |  |
| Realised Gains / (Losses) (S\$)   |  | -                        |  |
| Unrealised Gains / (Losses) (S\$) |  | 4,087,288                |  |

| <b>VI Borrowings of Net Asset Value</b>                        |  | <b>As at 31 Dec 2021</b> |  |
|--|--|--------------------------|--|
| Use of borrowing in % of Underlying Sub-Fund's Total Net Asset |  | 0.08%                    |  |

## D) Other Disclosure Items

| Expense/Turnover Ratios | HSBC Insurance Global Sustainable Equity Portfolio Fund |                 | Underlying Sub-Fund <sup>^</sup> |                                      |
|-------------------------|---|-----------------|----------------------------------|--------------------------------------|
|                         | As at 31-Dec-21   | As at 31-Dec-20 | As at 31-May-21*                 | As at 30-Sep-20**<br>As at 31-Dec-20 |
| Expense Ratio           | 1.53%   | 0.99%           | 1.93%                            | 0.95%<br>0.19%                       |
| Turnover Ratio          | 117.66%   | 18.42%          | 39.41%                           | 0.19%                                |

\*Based on the unaudited figures as at 31 May 2021 as the expense and turnover ratios of AB Sustainable Global Thematic Fund for the financial year ended 31 December 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 31 Dec 2020 is not available.

<sup>^</sup>The Underlying Sub-Fund was replaced from HSBC Global Investment Funds – Economic Scale Global Equity to AB Sustainable Global Thematic Portfolio with effect from 7 Apr 2021.

## II Related-Party Transactions

HSBC Insurance Global Sustainable Equity Portfolio Fund invests S\$15.80 million, equivalent to 99.94% of its net asset value in AB Sustainable Global Thematic Class A SGD H, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$57,983.

## III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

## IV Soft Dollar Commission Arrangement

For the period ended 31 December 2021, the Investment Manager and any Affiliated Sub-Investment Manager, if applicable, does receive and has entered into soft-dollar commissions/arrangements with brokers relating to portfolios of the Underlying Fund that invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received. The soft commission arrangements were entered into on the basis that the execution of transactions on behalf of the Underlying Fund will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates.

Additionally, due to the nature of the investment strategy of certain Portfolios, including where the Investment Manager delegates investment management services to AllianceBernstein Limited and CPH Capital Fondsmæglerselskab A/S, all costs associated with soft commission arrangements may be “unbundled,” if required by applicable law, and borne by the Investment Manager or its Affiliated Sub-Investment Manager with the exception of Arya European Alpha Portfolio, which is charged a separate expense for costs associated with soft commission arrangements. The goods and services received include specialist industry, company and consumer research, portfolio and market analysis and computer software used for the delivery of such services. The nature of the goods and services received is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Underlying Fund and may contribute to an improvement in the Underlying Fund's performance.

For the avoidance of doubt, such goods and services do not include travel, accommodations, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Disclosure of soft commission arrangements will be made in the Financial Reports of the Underlying Fund.

## E) Financial Statements

Refer to page 167 onwards.

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## HSBC Insurance Global Equity Volatility Focused Fund

### Fund Objective

HSBC Insurance Global Equity Volatility Focused Fund (the "ILP Sub-Fund") seeks to provide long term total return by investing in a portfolio of equities worldwide.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Global Equity Volatility Focused (the "Underlying Sub-Fund").

## FUND FACTS

|                        |  |
|------------------------|--|
| Underlying Sub-Fund    | HSBC Global Investment Funds – Global Equity Volatility Focused Fund |
| Fund Manager           | HSBC Global Asset Management (Singapore) Limited                     |
| Launch Date            | 18 Jan 2016  |
| CPFIS/SRS              | SRS  |
| CPFIS Risk             | N.A.   |
| Classification         |  |
| As at 31 December 2021 |  |
| Offer Price            | S\$ 1.75483  |
| Bid Price              | S\$ 1.66709  |
| Fund Size              | S\$ 5.29 mil   |
| Units in Issue         | 3.17 mil   |

### Investment and Market Review <sup>^</sup>

Global equity markets rose in the second half of 2021 but those returns were much more volatile than the first half of the year. The third quarter started strongly with rising markets in July and August as the global economy continued its path to normalisation despite worries about the Delta variant and uncertainty on the US Federal Reserve's timing of monetary policy tightening. However, markets started declining in September in the midst of China's manufacturing activity slowdown and continued supply chain disruptions but also prospects of earlier-than-expected rate hike from the Federal Reserve. After the sharp reversal in September, global markets resumed their upward path of strong positive performance, almost reaching their highest point at year end. However, November delivered a negative month before December's performance rounded off a very strong year for Global equity markets.

Over the 6-months rolling to December 2021, the Underlying Sub-Fund outperformed its market cap weighted index gross of fees. Our style exposure was the main contributor to performance while our industry and stock positioning detracted performance.

Overall style performance was strong in the review period with the defensive factors outperforming their cyclical counterparts. Low Risk and Quality were strongly rewarded, especially in Q4 as markets became defensive and volatile following the emergence of a new COVID-19 variant.

### Market Outlook and Investment Strategy <sup>^</sup>

HSBC Multi-Factor Defensive strategy follows a systematic investment process that seeks to maximise the fund's risk-adjusted returns while reducing volatility and drawdowns during periods of market turbulence. The strategy strongly benefitted from markets' defensiveness observed in the fourth quarter. With many economies now in the expansion phase of the economic cycle, global growth will slow in the coming quarters amid policy normalisation. Supply-side constraints remain a considerable challenge, with Omicron-related disruptions potentially exacerbating existing supply strains. The recovery is twin-track, with some Emerging Markets facing headwinds from central bank policy tightening and ongoing virus containment measures. Inflation volatility continues in the near-term. But medium-term inflation is likely to remain contained. Upside risks are more apparent in the UK, US and some Emerging markets. The combination of slower growth and higher inflation is a challenge for central banks. But policy normalisation is likely to remain gradual as they prioritise economic recovery. "Fiscal space" remains to counter growth risks.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---|-------|-------|--------|--------|--------|---------|------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Equity Volatility Focused Fund* | 5.90  | 5.41  | 11.93  | 53.74  | 56.96  | N.A.    | 66.71            |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|--------|---------|------------------|
|  | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Equity Volatility Focused Fund * | 15.42  | 9.44   | N.A.    | 9.02             |

\* There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

^Inception Date: 01 Feb 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class   | As at 31 Dec 2021<br>% of NAV | MV S\$ mil  |
|---|-------------------------------|-------------|
| HSBC Global Investment Funds – Global Equity Volatility Focused | 100.00                        | 5.29        |
| <b>Total</b>  | <b>100.00</b>                 | <b>5.29</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 269,623   |
| Redemption   | (710,012) |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Global Equity Volatility Focused)

### I Allocation by Country

| Country        | As at 31 Dec 2021<br>% of NAV | MV S\$ mil    |
|----------------|-------------------------------|---------------|
| United States  | 57.77                         | 103.23        |
| Japan          | 8.37                          | 14.96         |
| Mainland China | 6.60                          | 11.79         |
| Switzerland    | 5.17                          | 9.24          |
| Australia      | 3.08                          | 5.50          |
| Canada         | 2.62                          | 4.68          |
| Taiwan         | 2.38                          | 4.25          |
| Netherlands    | 2.00                          | 3.57          |
| Others*        | 11.68                         | 20.87         |
| Cash           | 0.33                          | 0.59          |
| <b>Total</b>   | <b>100.00</b>                 | <b>178.68</b> |

\*Includes other countries

### II Allocation by Industry

| Industry               | As at 31 Dec 2021<br>% of NAV | MV S\$ mil    |
|------------------------|-------------------------------|---------------|
| Information Technology | 18.53                         | 33.11         |
| Health Care            | 15.58                         | 27.84         |
| Industrials            | 13.94                         | 24.91         |
| Consumer Staples       | 11.55                         | 20.64         |
| Communication Services | 9.83                          | 17.56         |
| Financials             | 9.32                          | 16.65         |
| Consumer Discretionary | 8.01                          | 14.31         |
| Utilities              | 6.34                          | 11.33         |
| Materials              | 3.80                          | 6.79          |
| Others*                | 2.77                          | 4.95          |
| Cash                   | 0.33                          | 0.59          |
| <b>Total</b>           | <b>100.00</b>                 | <b>178.68</b> |

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|                              | As at 31 Dec 2021 |            |
|------------------------------|-------------------|------------|
|                              | % of NAV          | MV S\$ mil |
| Microsoft Corp               | 3.55              | 6.34       |
| Apple Inc                    | 3.23              | 5.77       |
| Alphabet Inc                 | 1.56              | 2.79       |
| Roche Holding AG             | 1.32              | 2.36       |
| Amazon.com Inc               | 1.30              | 2.32       |
| Costco Wholesale Corp        | 1.29              | 2.30       |
| Thermo Fisher Scientific Inc | 1.28              | 2.29       |
| Intel Corp                   | 1.17              | 2.09       |
| Chevron Corp                 | 1.15              | 2.05       |
| Verizon Communications Inc   | 1.11              | 1.98       |

### Top Ten Holdings of Underlying Sub-Fund

|                          | As at 31 Dec 2020 |            |
|--------------------------|-------------------|------------|
|                          | % of NAV          | MV S\$ mil |
| Apple Inc                | 2.78              | 5.62       |
| Munchener Ruckvers AG    | 2.41              | 4.89       |
| Microsoft Corp           | 2.41              | 4.89       |
| Masco Corp               | 2.33              | 4.72       |
| Nestle SA                | 2.18              | 4.42       |
| Accenture PLC            | 2.17              | 4.40       |
| United Technologies Corp | 2.15              | 4.36       |
| Walt Disney Co           | 2.15              | 4.36       |
| Home Depot Inc           | 2.12              | 4.30       |
| Phillips 66              | 2.11              | 4.27       |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.13%             |
| Market value (S\$)                | 229,053           |
| Realised Gains / (Losses) (S\$)   | (833,833)         |
| Unrealised Gains / (Losses) (S\$) | 338,808           |
| * Less than 0.01%                 |                   |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Global Equity Volatility Focused Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|--|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                                      | As at 31-Dec-20 | As at 31-Mar-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.91%  | 1.91%           | 1.87%               | 1.87%             |
| Turnover Ratio            | 9.22%  | 9.57%           | 1.63%               | 0.55%             |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 31 Dec 2020 is not available.

### II Related-Party Transactions

HSBC Insurance Global Equity Volatility Focused Fund invests S\$5.29 million, equivalent to 100% of its net asset value in HSBC Global Investment Funds – Global Equity Volatility Focused, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$20,349.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Global High Income Bond Fund

### Fund Objective

HSBC Insurance Global High Income Bond Fund (the "ILP Sub-Fund") seeks to invest for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the Underlying Sub-Fund's net assets.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Global High Income Bond (the "Underlying Sub-Fund").

### FUND FACTS

|                           |  |          |
|---------------------------|--|----------|
| Underlying Sub-Fund       | HSBC Global Investment Funds – Global High Income Bond |          |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited       |          |
| Launch Date               | 18 Jan 2016  |          |
| CPFIS/SRS                 | SRS  |          |
| CPFIS Risk Classification | N.A.   |          |
| As at 31 December 2021    |  |          |
| Offer Price               | S\$  | 1.33845  |
| Bid Price                 | S\$  | 1.27153  |
| Fund Size                 | S\$  | 4.39 mil |
| Units in Issue            |  | 3.45 mil |

### Investment and Market Review <sup>^</sup>

The strategy delivered negative absolute performance over the period gross of fees. Overall the fund saw positive contribution to return across all asset classes except EMD. From an asset class perspective Securitized Credit and US Credit were the best performers while Euro Credit and especially EMD lagged. All segment except EMD saw positive outperformance vs their respective investment universes.

Following on from a strong risk asset recover in 2020 credit spreads continued to tighten in Q1 2021 with the continued economic recovery. Long end rates moved higher over investor concerns around rising inflation with the yield curve steepening. With rates volatility dissipating in Q2 as investors reconciled a continued dovish Federal Reserve on the one hand and strong inflation data on the other rates fell back by the end of June while credit spreads continued to grind tighter approaching cyclical tightness. The US treasury yields rose in the first half of 2021 with the curve steepening at the long end. The 2, 5, 10 and 30 year saw yields move higher by 0.13%, 0.53%, 0.55% and 0.44% respectively to finish June at 0.25%, 0.89%, 1.47% and 2.09%.

### Market Outlook and Investment Strategy <sup>^</sup>

Investor were cautiously optimistic entering 2022. While a decrease of inflation pressure was seen in select data points, concern remains around how investors will react to the roll-over of inflation numbers. This is balanced on the other hand with a more hawkish Fed, which has retired the use of "transitory" when referring to higher inflation and investors' concerns of a potentially faster lift-off should inflation data remain elevated. Economic growth is robust and is expected to remain so over the short to medium term. Credit fundamentals and outlook remains strong but we see pockets of volatility in risk assets due to the Fed's normalization policy, the spread of the Omicron variant and its impact on global growth as well as the headline risks on China growth and its crackdown in various industry sectors.

The fund remains predominantly invested in corporate BBB and BB credit with an allocation to sovereigns at 11% and securitized credit at 12%. The fund has an average credit rating of BBB-/BB+ with 50% investment grade, 47% below investment grade and 3% cash. Regionally, the strategy has exposure to US Credit 28%, EUR Credit 20%, EM 27% and Structured Credit 12%. The main industry sector exposure is financials, communications and energy. The current portfolio duration is 5.40 years on an option adjusted basis, with an overweight to the short end of the curve and an underweight to the longer end vs the investment universe.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth  | 6-Mth  | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|--------|--------|--------|--------|---------|------------------|
|  | (%)    | (%)    | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global High Income Bond Fund* | (1.36) | (1.55) | (1.37) | 16.29  | 17.80  | N.A.    | 27.15            |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|--------|---------|------------------|
|  | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global High Income Bond Fund* | 5.16   | 3.33   | N.A.    | 4.13             |

\*There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

^Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class   | As at 31 Dec 2021<br>% of NAV | MV S\$ mil  |
|---|-------------------------------|-------------|
| HSBC Global Investment Funds – Global High Income Bond Fund | 100.00                        | 4.39        |
| <b>Total</b>  | <b>100.00</b>                 | <b>4.39</b> |

### II Fund Movement

|              | (01 Jul 2021 - 31 Dec 2021)<br>S\$ |
|--------------|------------------------------------|
| Subscription | 308,152                            |
| Redemption   | (1,264,051)                        |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Global High Income Bond Fund)

### I Allocation by Country

| Country        | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|----------------|-------------------------------|-----------------|
| United States  | 34.10                         | 651.99          |
| France         | 5.78                          | 110.46          |
| Germany        | 4.67                          | 89.38           |
| United Kingdom | 3.95                          | 75.52           |
| Mainland China | 3.88                          | 74.11           |
| Cayman Islands | 3.30                          | 63.10           |
| Mexico         | 2.92                          | 55.84           |
| Spain          | 2.72                          | 51.94           |
| Netherlands    | 2.59                          | 49.60           |
| Others*        | 33.14                         | 633.64          |
| Cash           | 2.95                          | 56.49           |
| <b>Total</b>   | <b>100.00</b>                 | <b>1,912.05</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|-------------------------|-------------------------------|-----------------|
| Financial               | 20.62                         | 394.26          |
| Energy                  | 13.67                         | 261.42          |
| Government              | 11.46                         | 219.03          |
| Consumer Cyclical       | 9.46                          | 180.82          |
| Communications          | 8.23                          | 157.27          |
| Consumer Non cyclical   | 6.35                          | 121.39          |
| Mortgage Securities     | 6.00                          | 114.69          |
| Asset Backed Securities | 5.56                          | 106.26          |
| Utilities               | 5.03                          | 96.14           |
| Others*                 | 10.68                         | 204.28          |
| Cash                    | 2.95                          | 56.49           |
| <b>Total</b>            | <b>100.00</b>                 | <b>1,912.05</b> |

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

|              | As at 31 Dec 2021 |                 |
|--------------|-------------------|-----------------|
| Rating       | % of NAV          | MV S\$ mil      |
| AAA          | 1.78              | 33.96           |
| AA           | 2.72              | 51.98           |
| A            | 8.66              | 165.54          |
| BBB          | 36.65             | 700.85          |
| BB           | 29.93             | 572.35          |
| B            | 14.43             | 275.92          |
| CCC          | 2.01              | 38.52           |
| C            | 0.05              | 0.99            |
| D            | 0.05              | 0.92            |
| Unrated      | 0.76              | 14.54           |
| <b>Total</b> | <b>100.00</b>     | <b>1,912.05</b> |

### IV Top Ten Holdings of Underlying Fund

|                                 | As at 31 Dec 2021 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV S\$ mil |
| Charter Comm Opt 6.384 23/10/35 | 0.93              | 17.77      |
| At&T Inc 3.300 01/02/52         | 0.85              | 16.23      |
| Bway Holding Co 4.750 15/04/24  | 0.82              | 15.72      |
| Veolia Envrmt 2.250             | 0.76              | 14.44      |
| Eg Global 6.250 30/10/25        | 0.74              | 14.14      |
| Us Treasury N/B 2.500 15/01/22  | 0.72              | 13.81      |
| Michaels Cos Inc 5.250 01/05/28 | 0.72              | 13.69      |
| Continental Reso 4.900 01/06/44 | 0.64              | 12.14      |
| Argentina 0.500 09/07/30        | 0.63              | 11.99      |
| American Airline 5.750 20/04/29 | 0.60              | 11.41      |

### Top Ten Holdings of Underlying Fund

|                                 | As at 31 Dec 2020 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV S\$ mil |
| QUATRIM 5.875 15/01/24          | 0.96              | 23.79      |
| DIVERSIFIED HLTH 9.750 15/06/25 | 0.80              | 19.55      |
| ABU DHABI GOVT 3.125 16/04/30   | 0.74              | 18.06      |
| BWAY HOLDING CO 4.750 15/04/24  | 0.70              | 17.09      |
| ARGENTINA 0.125 09/07/30        | 0.65              | 16.00      |
| AT&T INC 3.300 01/02/52         | 0.65              | 15.89      |
| DELTA/SKYMILES 4.750 20/10/28   | 0.63              | 15.35      |
| MILEAGE PLUS HLD 6.500 20/06/27 | 0.62              | 15.10      |
| EG GLOBAL 6.250 30/10/25        | 0.61              | 14.82      |
| PHILIPPINES(REP) 3.700 02/02/42 | 0.60              | 14.63      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.28%             |
| Market value (S\$)                | 5,386,685         |
| Realised Gains / (Losses) (S\$)   | 23,404,590        |
| Unrealised Gains / (Losses) (S\$) | (8,600,683)       |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Global High Income Bond Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|---|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                             | As at 31-Dec-20 | As at 31-Mar-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.56%                                       | 1.56%           | 1.52%               | 1.52%             |
| Turnover Ratio            | 14.31%                                      | 19.36%          | 1.48%               | 1.18%             |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond Fund for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond Fund for the financial year ended 31 Dec 2020 is not available.

#### II Related-Party Transactions

HSBC Insurance Global High Income Bond Fund invests S\$4.39 million, equivalent to 100% of its net asset value in HSBC Global Investment Funds – Global High Income Bond Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$15,554.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

#### E) Financial Statements

Refer to page 167 onwards.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**



## HSBC Insurance Global Multi-Asset Fund

### Fund Objective

HSBC Insurance Global Multi-Asset Fund (the "ILP Sub-Fund") aims to deliver an income of 3-5% per annum and capital growth over a three to five year period after fees have been deducted, by investing in a diversified range of assets and markets worldwide.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Schroder International Selection Fund – Global Multi-Asset Income (SGD Hedged Class A Acc) (the "Underlying Sub-Fund")

### FUND FACTS

|                           |   |          |
|---------------------------|---|----------|
| Underlying Sub-Fund       | Schroder International Selection Fund – Global Multi-Asset Income |          |
| Fund Manager              | Schroder Investment Management (Singapore) Ltd                    |          |
| Launch Date               | 18 Jan 2016   |          |
| CPFIS/SRS                 | SRS   |          |
| CPFIS Risk Classification | N.A.  |          |
| As at 31 December 2021    |   |          |
| Offer Price               | S\$   | 1.29598  |
| Bid Price                 | S\$   | 1.23118  |
| Fund Size                 | S\$   | 1.56 mil |
| Units in Issue            |   | 1.27 mil |

### Investment and Market Review ^

The period started positively with investors starting to price in a post-covid world. Key economies eased restrictions, and countries with high vaccination rates witnessed a much slower rise in hospitalisations than previous outbreaks. Momentum then started to fade, with concerns over peaking economic growth, supply disruptions and rising inflation denting investor confidence. Emerging markets were particularly weak, with well-documented pressures in the Chinese property sector weighing. Omicron jitters entered the equation in November, before sentiment reversed in December as its severity appeared to be milder than previous variants.

For the period 1 July 2021 to 31 December 2021, the fund returned +0.9% (USD C Acc, net of fees). Equities were the main driver, led by our core global allocations and REITs. Our enhanced equity income strategy was particularly positive, having capitalised on elevated option premiums and choppy, sideways-moving markets. Higher-yielding areas of the credit markets were also positive, led by those in the US. Elsewhere, strength in the US dollar weighed given some of the portfolio's returns were generated in their respective domestic currency.

As sentiment dipped, we began taking some equity risk off the table by trimming exposure to both US and global equities as we waited for clarity on the Omicron variant and its market implications. In addition, we made short term tactical decisions over the period, adding US financials and global energy positions to take advantage of attractive valuations, expectations of tighter monetary policy and rising oil & gas prices. We continue to tread carefully within the fixed income space, but retain our preference for higher-yielding bonds.

### Market Outlook and Investment Strategy ^

With central banks moving to a less accommodative stance, we have already seen a notable pullback in some of the more highly valued markets and sectors; namely US equities and Technology. We believe that central banks have an unenviable job in taming inflation whilst not risking the post-covid recovery. Nonetheless, we expect equity returns to be more muted in 2022; remaining positive, supported by solid corporate earnings.

We expect that inflation will peak in the first half of 2022, as supply chain issues are resolved, but concede that over the medium term, we are likely to be in a more inflationary environment compared to the last decade.

Within equities, we are favourable towards US given its strength of recovery and emerging markets, as we expect Chinese policy to be easing this year at a time when the Western world will be focusing on policy normalisation.

While the beginning of 2021 had an air of a rising tide lifting all boats, we believe that 2022 will likely necessitate us to be more nuanced in our approach and certainly not a year for big bets. Rather, a more diversified neutral stance seems warranted at present and, as a result, we have marginally reduced equities in favour of credit.

^ Source: Schroder Investment Management (Singapore) Ltd

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|-------|-------|--------|--------|--------|---------|------------------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Global Multi-Asset Fund* | 1.68  | 0.59  | 4.40   | 18.28  | 16.88  | N.A.    | 23.12                        |

### II Average Annual Compounded Returns

|   | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|--------|--------|---------|------------------------------|
|   | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Global Multi-Asset Fund* | 5.75   | 3.17   | N.A.    | 3.66                         |

\* There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

<sup>^</sup>Inception Date: 21 Mar 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class   | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV S\$ mil  |
| Schroder International Selection Fund - Global Multi-Asset Income | 100.00            | 1.56        |
| <b>Total</b>  | <b>100.00</b>     | <b>1.56</b> |

### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | S\$       |
|--------------|-----------|
| Subscription | 280,643   |
| Redemption   | (449,625) |

## C) Underlying Sub-Fund Disclosure (Schroder International Selection Fund - Global Multi-Asset Income)

### I Allocation by Country

| Country               | As at 31 Dec 2021 |                 |
|-----------------------|-------------------|-----------------|
|                       | % of NAV          | MV S\$ mil      |
| North America         | 57.44             | 1,380.89        |
| Europe ex UK          | 15.40             | 370.23          |
| Emerging Markets      | 12.70             | 305.32          |
| Japan                 | 2.94              | 70.68           |
| Asia Pacific ex Japan | 2.03              | 48.80           |
| United Kingdom        | 1.93              | 46.40           |
| Cash                  | 7.56              | 181.75          |
| <b>Total</b>          | <b>100.00</b>     | <b>2,404.07</b> |

### II Allocation by Industry

| Industry               | As at 31 Dec 2021 |                 |
|------------------------|-------------------|-----------------|
|                        | % of NAV          | MV S\$ mil      |
| Financials             | 20.16             | 484.66          |
| Information Technology | 11.36             | 273.10          |
| Real Estate            | 10.72             | 257.72          |
| Communication Services | 9.96              | 239.44          |
| Consumer Discretionary | 9.39              | 225.74          |
| Health Care            | 8.08              | 194.25          |
| Industrials            | 6.72              | 161.55          |
| Energy                 | 6.37              | 153.14          |
| Consumer Staples       | 3.64              | 87.51           |
| Materials              | 3.13              | 75.25           |
| Utilities              | 2.91              | 69.96           |
| Cash                   | 7.56              | 181.75          |
| <b>Total</b>           | <b>100.00</b>     | <b>2,404.07</b> |

### III Allocation of Debt Securities by Credit Ratings

| Rating<br>(For Debt securities portfolio only) | As at 31 Dec 2021 |                 |
|--|-------------------|-----------------|
|  | % of NAV          | MV S\$ mil      |
| A  | 2.10              | 50.51           |
| AA   | 0.48              | 11.64           |
| B  | 7.39              | 177.70          |
| BB   | 17.50             | 420.75          |
| BBB  | 11.30             | 271.78          |
| CCC  | 1.23              | 29.58           |
| Not Rated                                      | 4.40              | 105.83          |
| <b>Total</b>                                   | <b>44.40</b>      | <b>1,067.79</b> |

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| iShares \$ Highyield Corpbond Esg U Etf-F               | 2.67              | 64.19      |
| Microsoft Corp  | 1.25              | 30.05      |
| Taiwan Semiconductor Manufacturing                      | 1.04              | 25.00      |
| Apple Inc   | 0.75              | 18.03      |
| Bank Of America Corp Perp 7.25 31-Dec-2049              | 0.64              | 15.39      |
| Bunge Ltd Perp 4.875 31-Dec-2049                        | 0.56              | 13.46      |
| Samsung Electronics Non Voting Pre Pref                 | 0.49              | 11.78      |
| Toronto Dominion  | 0.47              | 11.30      |
| Alphabet Inc Class A A                                  | 0.44              | 10.58      |
| CPI Property Group Sa Perp 3.75 31-Dec-2049 Reg-S (Sub) | 0.41              | 9.86       |

### Top Ten Holdings of Underlying Sub-Fund

|   | As at 30 Dec 2020 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| Taiwan Semiconductor Manufacturing          | 1.07              | 29.75      |
| Bank of America Corp Perp 7.25 31/12/2049   | 0.86              | 23.90      |
| Bungle Ltd Perp 4.875 31/12/2049            | 0.77              | 21.40      |
| Samsung Electronics Non Voting Pre Pref     | 0.73              | 20.29      |
| AlA Group Ltd                               | 0.52              | 14.45      |
| Microsoft Corp                              | 0.52              | 14.45      |
| Facebook Class A Inc                        | 0.50              | 13.90      |
| Indonesia (Republic Of) FR82 7.0 15/09/2030 | 0.50              | 13.90      |
| Alphabet Inc Class A                        | 0.49              | 13.62      |
| South Africa (Republic Of) 8.0 31/01/2030   | 0.47              | 13.06      |

### V Exposure to Derivatives

| As at 31 Dec 2021                 |               |
|-----------------------------------|---------------|
| % of NAV                          | 0.08%         |
| Market value (S\$)                | 1,944,669     |
| Realised Gains / (Losses) (S\$)   | (109,508,108) |
| Unrealised Gains / (Losses) (S\$) | 1,944,669     |

### VI Borrowings of Net Asset Value

| As at 31 Dec 2021 |  |
|-------------------|--|
| Nil.              |  |

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Global Multi-Asset Fund |                 | Underlying Sub-Fund |                 |
|---------------------------|--|-----------------|---------------------|-----------------|
|                           | As at 31-Dec-21                        | As at 31-Dec-20 | As at 31-Dec-21     | As at 31-Dec-20 |
| Expense Ratio             | 1.61%                                  | 1.62%           | 1.57%               | 1.58%           |
| Turnover Ratio            | 23.92%                                 | 39.27%          | 64.62%              | 89.87%          |

### II Related-Party Transactions

Nil.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### **IV Soft Dollar Commission Arrangement**

Each Investment Manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager, including the relevant Sub-Fund, and where the Investment Manager 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 on terms commensurate with best market practice.

#### **E) Financial Statements**

Refer to page 167 onwards.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance India Equity Fund

### Fund Objective

HSBC Insurance India Equity Fund (the "ILP Sub-Fund") aims to provide long term total return by investing in a portfolio of Indian equities.

ILP Sub-Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds - Indian Equity (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

The S&P IFCI/India Gross Index gained 12.70% over the 6-month horizon and outperformed the broader MSCI Asia ex Japan market (-8.46%). In terms of sectors, Communication (+30.62%) is the top performing one while Healthcare relatively underperformed (+2.56%).

Vaccination rate in India continued to rise in the quarter as large scale vaccinations have been performed. Industrial production in the fourth quarter has also continued to show improvement and exports have remained strong. On the other hand, increasing inflationary pressure despite the excise tax cut and concerns along with the rest of the world from COVID-19 variants have capped gains for the Indian market.

The fund outperformed the benchmark on a 6-month basis. Positive stock selection effect in Health care and Industrials positively contributed to performance, partially offset by the unfavourable stock selection effect in the Materials and Utilities space.

Top stock contributor during this 6-month period is Indian Railway Catering & Tourism as the company continued to show meaningful sequential improvement in revenue and profitability led by a pick up in revenues across all business segments. The largest relative detractors over the year is Axis Bank which we are overweight on. We remain positive on the lending financials business driven by fast normalization in asset quality, which would lead to a significantly lower credit cost and hence strong earnings growth

In terms of sector positioning, we are most overweight to Real Estate and Financials and most underweight to Utilities and Consumer Staples.

### Market Outlook and Investment Strategy <sup>^</sup>

The macro theme we are most bullish on over the next 3 years is the 'capex cycle', which we view as the single biggest driver of corporate earnings over the next 2 to 3 years. A multi-year theme we are positive on is that of the outsourced manufacturing, which we expect to grow to a larger share of GDP over the next few years. This will benefit more from exports and then on account of revival in domestic growth. Pockets of opportunities from this theme include specialty chemicals and in the manufacturing segments.

Over the past 6 months, we have been increasing our weight the most in Materials and Information Technology. On the other hand, we have reduced our weighting most significantly in communication services.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## FUND FACTS

Underlying Sub-Fund HSBC Global Investment Funds - Indian Equity Fund  
Fund Manager HSBC Global Asset Management (Singapore) Limited

Launch Date 19 Apr 2004  
CPFIS/SRS\* SRS  
CPFIS Risk N.A.  
Classification

As at 31 December 2021

|                |               |
|----------------|---------------|
| Offer Price    | S\$ 3.80614   |
| Bid Price      | S\$ 3.61583   |
| Fund Size      | S\$ 60.40 mil |
| Units in Issue | 16.70 mil     |

\*Note: With effect from 1 Mar 2014, the Fund has been delisted from CPFIS.

## A) Fund Performance

### I Cumulative Total Returns

|                                  | 3-Mth  | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|----------------------------------|--------|-------|--------|--------|--------|---------|------------------|
|                                  | (%)    | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance India Equity Fund | 0.72   | 14.38 | 30.69  | 44.50  | 65.49  | 151.75  | 280.61           |
| Benchmark*                       | (0.35) | 13.03 | 33.92  | 63.00  | 102.33 | 249.42  | 629.51           |

### II Average Annual Compounded Returns

|                                  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|----------------------------------|--------|--------|---------|------------------|
|                                  | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance India Equity Fund | 13.06  | 10.60  | 9.67    | 7.87             |
| Benchmark*                       | 17.69  | 15.14  | 13.33   | 11.92            |

\* Benchmark details:

S&P/IFCI India Gross

^Inception Date: 14 May 2004

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                                      | As at 31 Dec 2021<br>% of NAV | MV S\$ mil   |
|--|-------------------------------|--------------|
| HSBC Global Investment Fund - Indian Equity Fund | 99.98                         | 60.39        |
| Other assets                                     | 0.30                          | 0.18         |
| Other liabilities                                | -0.28                         | (0.17)       |
| <b>Total</b>                                     | <b>100.00</b>                 | <b>60.40</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 2,575,064   |
| Redemption   | (8,050,071) |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Indian Equity Fund)

### I Allocation by Country

| Country      | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|--------------|-------------------------------|-----------------|
| India        | 102.79                        | 1,655.05        |
| Cash         | (2.79)                        | (44.92)         |
| <b>Total</b> | <b>100.00</b>                 | <b>1,610.13</b> |

### II Allocation by Industry

| Industry               | As at 31 Dec 2021<br>% of NAV | MV S\$ mil      |
|------------------------|-------------------------------|-----------------|
| Financials             | 28.44                         | 457.96          |
| Information Technology | 18.02                         | 290.08          |
| Materials              | 11.74                         | 188.95          |
| Consumer Discretionary | 9.69                          | 156.09          |
| Energy                 | 8.65                          | 139.23          |
| Health Care            | 8.05                          | 129.68          |
| Industrials            | 6.52                          | 104.90          |
| Consumer Staples       | 5.55                          | 89.38           |
| Real Estate            | 3.97                          | 63.93           |
| Utilities              | 1.29                          | 20.72           |
| Communication Services | 0.88                          | 14.11           |
| Cash                   | (2.79)                        | (44.92)         |
| <b>Total</b>           | <b>100.00</b>                 | <b>1,610.13</b> |

## III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

|                               | As at 31 Dec 2021 |            |
|-------------------------------|-------------------|------------|
|                               | % of NAV          | MV S\$ mil |
| Infosys Ltd                   | 9.83              | 158.22     |
| ICICI Bank Ltd                | 8.12              | 130.73     |
| Reliance Industries Ltd       | 7.65              | 123.22     |
| Larsen & Toubro Ltd           | 5.37              | 86.53      |
| Hcl Technologies Ltd          | 5.01              | 80.68      |
| Axis Bank Ltd                 | 4.92              | 79.29      |
| State Bank of India           | 3.96              | 63.71      |
| HDFC Bank Ltd                 | 3.91              | 62.99      |
| Tata Motors Ltd               | 3.66              | 59.01      |
| Sun Pharmaceutical Industries | 3.36              | 54.04      |

#### Top Ten Holdings of Underlying Sub-Fund

|                                | As at 31 Dec 2020 |            |
|--------------------------------|-------------------|------------|
|                                | % of NAV          | MV S\$ mil |
| Infosys Ltd                    | 9.12              | 148.05     |
| Reliance Industries Ltd        | 7.98              | 129.39     |
| ICICI Bank Ltd                 | 7.24              | 117.41     |
| HDFC Bank Ltd                  | 5.64              | 91.48      |
| Axis Bank Ltd                  | 4.80              | 77.82      |
| HCL Technologies Ltd           | 4.66              | 75.61      |
| Housing Development Finance Co | 4.28              | 69.41      |
| Maruti Suzuki India Ltd        | 3.55              | 57.64      |
| DLF Ltd                        | 3.46              | 56.04      |
| Bharti Airtel Ltd              | 2.89              | 46.84      |

#### V Exposure to Derivatives

As at 31 Dec 2021

Nil.

#### VI Borrowings of Net Asset Value

As at 31 Dec 2021

Nil.

#### D) Other Disclosure Items

| I Expense/Turnover Ratios   | HSBC Insurance India Equity Fund |                 | Underlying Sub-Fund |                   |
|---|----------------------------------|-----------------|---------------------|-------------------|
|   | As at 31-Dec-21                  | As at 31-Dec-20 | As at 31-Mar-21*    | As at 30-Sep-20** |
| Expense Ratio   | 1.94%                            | 1.93%           | 1.90%               | 1.90%             |
| Turnover Ratio  | 5.52%                            | 11.35%          | 0.32%               | 0.42%             |
| *Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Fund - Indian Equity Fund for the financial year ended 31 Dec 2021 is not available.      |                                  |                 |                     |                   |
| ** Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund for the financial year ended 31 Dec 2020 is not available. |                                  |                 |                     |                   |

#### II Related-Party Transactions

HSBC Insurance India Equity Fund invests S\$60.39 million, equivalent to 98.98% of its net asset value in HSBC Global Investment Fund - Indian Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 Dec 2021 amounts to S\$152,765.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Pacific Equity Fund

### Fund Objective

HSBC Insurance Pacific Equity Fund (the "ILP Sub-Fund") seeks to provide holders with medium to long - term capital growth from a diversified portfolio of Asian - Pacific equities excluding Japanese equities.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Aberdeen Select Portfolio - Aberdeen Standard Pacific Equity Fund (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

Market volatility remained prevalent in the final quarter of the year due largely to some early monetary-tightening measures from central banks and the emergence of the Omicron variant. The best-performing market was Taiwan, which was boosted by robust global demand for consumer electronics. South East Asian markets, bar Singapore, also fared well as economies recovered following the removal of mobility restrictions. The strongest of these was Indonesia, which posted good economic data for November, prompting its central bank to project an acceleration in GDP growth in 2022. These gains were more than offset by the weakness in China and Hong Kong, where stocks have been facing a series of headwinds. These include Beijing's regulatory crackdown, further Covid-19 outbreaks, spiking raw material prices and power cuts. Alongside the wider challenges, there has been pressure on stocks in Singapore due to the government's fresh measures to cool the buoyant housing market.

### Market Outlook and Investment Strategy <sup>^</sup>

With vaccinations ramping up across economies, most governments across Asia appear to be moving towards a stance of living with Covid. This will support the normalising of economic activity and as travel resumes, we should expect positive effects for consumption, businesses and the overall growth recovery. A note of caution would be that a key risk is any misalignment of growth expectations. Many things are in flux right now, with economies trying to reopen, inflation risks, taper talks, rising rates and Covid disruptions, among others. We cannot extrapolate some of the post-lockdown growth rates that we have seen, and we also cannot assume that there will not be more disruptions to come, especially given the emergence of the Omicron variant.

China continues to be a key focus as the government moves towards policy loosening to help stabilise economic growth, especially in the light of the risks from the shake-up in the real estate sector. Meanwhile, geopolitical tensions will continue to drive China's push for self-sufficiency, which in turn presents investment opportunities, whether in the domestic consumption sector, tech, or green energy. We continue to position our portfolio around structural growth themes such as these that will weather the near-term uncertainties.

Lastly, despite coronavirus-related disruptions, corporate earnings growth across Asia remains resilient for the most part, led in particular by the robust tech hardware sector. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures in the pandemic environment.

<sup>^</sup> Source: abrdn Asia Limited

## FUND FACTS

|                           |  |         |     |
|---------------------------|--|---------|-----|
| Underlying Sub-Fund       | Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund |         |     |
| Fund Manager <sup>1</sup> | abrdn Asia Limited   |         |     |
| Launch Date               | 01 Apr 2010  |         |     |
| CPFIS/SRS                 | OA/SRS   |         |     |
| CPFIS Risk Classification | Higher Risk – Narrowly Focused - Regional - Asia                           |         |     |
| As at 31 December 2021    |  |         |     |
| Offer Price               | S\$  | 1.93212 |     |
| Bid Price                 | S\$  | 1.83551 |     |
| Fund Size                 | S\$  | 135.22  | mil |
| Units in Issue            |  | 73.67   | mil |

<sup>1</sup> Prior to 26 October 2021, the Fund Manager was known as Aberdeen Standard Investments (Asia) Limited.

## A) Fund Performance

### I Cumulative Total Returns

|                                    | 3-Mth  | 6-Mth  | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|------------------------------------|--------|--------|--------|--------|--------|---------|------------------------------|
|                                    | (%)    | (%)    | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Pacific Equity Fund | (2.30) | (7.20) | (2.30) | 43.99  | 58.48  | 98.83   | 93.21                        |
| Benchmark*                         | (1.42) | (8.71) | (0.70) | 41.22  | 57.93  | 124.34  | 99.17                        |

### II Average Annual Compounded Returns

|                                    | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|------------------------------------|--------|--------|---------|------------------------------|
|                                    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Pacific Equity Fund | 12.92  | 9.65   | 7.11    | 5.77                         |
| Benchmark*                         | 12.19  | 9.57   | 8.42    | 6.04                         |

\* Benchmark details:

MSCI AC Asia Pacific ex Japan Index

<sup>^</sup>Inception Date: 6 Apr 2010

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021 |               |
|--|-------------------|---------------|
|  | % of NAV          | MV S\$ mil    |
| Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund | 100.00            | 135.24        |
| Other assets   | 0.18              | 0.24          |
| Other liabilities  | (0.18)            | (0.26)        |
| <b>Total</b>   | <b>100.00</b>     | <b>135.22</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)  
S\$

|              |              |
|--------------|--------------|
| Subscription | 9,648,681    |
| Redemption   | (19,035,941) |

## C) Underlying Sub-fund Disclosure (Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund)

### I Allocation by Country

| Country        | As at 30 Sep 2021 <sup>†</sup> |                 |
|----------------|--------------------------------|-----------------|
|                | % of NAV                       | MV S\$ mil      |
| China          | 25.41                          | 424.01          |
| South Korea    | 13.55                          | 226.04          |
| India          | 8.96                           | 149.45          |
| Australia      | 8.56                           | 142.78          |
| Hong Kong      | 10.15                          | 169.27          |
| Taiwan         | 11.96                          | 199.60          |
| Singapore      | 5.33                           | 88.88           |
| United Kingdom | 3.96                           | 66.14           |
| Netherlands    | 1.67                           | 27.93           |
| Others*        | 10.45                          | 174.41          |
| <b>Total</b>   | <b>100.00</b>                  | <b>1,668.50</b> |

\*Includes other countries, cash and other payable/receivable.

<sup>†</sup> Based on unaudited figures as at 30 Sep 2021 as the figures as at 31 Dec 2021 are not available.

| <b>II Allocation by Industry</b> |                 | <b>As at 30 Sep 2021<sup>†</sup></b> |  |
|----------------------------------|-----------------|--------------------------------------|--|
| <b>Industry</b>                  | <b>% of NAV</b> | <b>MV S\$ mil</b>                    |  |
| Information Technology           | 25.98           | 447.72                               |  |
| Financials                       | 18.73           | 322.72                               |  |
| Health Care                      | 8.95            | 154.25                               |  |
| Consumer Discretionary           | 8.84            | 152.33                               |  |
| Communication Services           | 8.46            | 145.77                               |  |
| Materials                        | 7.87            | 135.66                               |  |
| Unit Trusts                      | 7.13            | 122.91                               |  |
| Consumer Staples                 | 4.68            | 80.71                                |  |
| Real Estate                      | 4.55            | 78.47                                |  |
| Industrials                      | 3.28            | 56.55                                |  |
| Utilities                        | 0.59            | 10.16                                |  |
| Others*                          | 0.94            | 16.11                                |  |
| <b>Total</b>                     | <b>100.00</b>   | <b>1,723.35</b>                      |  |

\*Includes cash and other payable/receivable

**III Allocation of Debt Securities by Credit Ratings**  
N.A.

| <b>IV Top Ten Holdings of Underlying Sub-Fund</b> |                 | <b>As at 30 Sep 2021<sup>†</sup></b> |  |
|---|-----------------|--------------------------------------|--|
|   | <b>% of NAV</b> | <b>MV S\$ mil</b>                    |  |
| Taiwan Semiconductor Manufacturing Company        | 9.34            | 155.77                               |  |
| Samsung Electronics (Preference Shares)           | 8.99            | 150.03                               |  |
| Tencent   | 8.28            | 138.21                               |  |
| AIA Group   | 4.46            | 74.41                                |  |
| CSL   | 3.18            | 53.10                                |  |
| Alibaba Group Holding                             | 3.14            | 52.37                                |  |
| Aberdeen Standard China Opportunities Fund        | 2.96            | 49.37                                |  |
| HDFC  | 2.91            | 48.56                                |  |
| New India Investment Trust Public Listed Company  | 2.65            | 44.21                                |  |
| BHP Group   | 2.55            | 42.60                                |  |

| <b>Top Ten Holdings of Underlying Sub-Fund</b> |                 | <b>As at 30 Sep 2020<sup>^</sup></b> |  |
|--|-----------------|--------------------------------------|--|
|  | <b>% of NAV</b> | <b>MV S\$ mil</b>                    |  |
| Tencent  | 9.66            | 114.46                               |  |
| Samsung Electronics (Preference Shares)        | 7.73            | 91.67                                |  |
| Taiwan Semiconductor Manufacturing Company     | 7.18            | 85.25                                |  |
| Aberdeen Standard China Opportunities Fund     | 4.35            | 51.67                                |  |
| Ping An Insurance                              | 3.93            | 46.67                                |  |
| CSL  | 3.38            | 40.13                                |  |
| China Resources Land                           | 3.13            | 37.19                                |  |
| AIA Group                                      | 3.08            | 36.55                                |  |
| Aberdeen Standard Singapore Equity Fund        | 2.63            | 31.26                                |  |
| HDFC   | 2.36            | 27.95                                |  |

**V Exposure to Derivatives**  
Nil. **As at 30 Sep 2021<sup>†</sup>**

**VI Borrowings of Net Asset Value**  
Nil. **As at 30 Sep 2021<sup>†</sup>**

<sup>†</sup> Based on unaudited figures as at 30 Sep 2021 as figures as at 31 Dec 2021 are not available.

<sup>^</sup> Based on unaudited figures as at 30 Sep 2020 as figures as at 31 Dec 2020 are not available.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Pacific Equity Fund</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|---|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                    | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.69%                                     | 1.68%                  | 1.65%                      | 1.64%                    |
| Turnover Ratio                   | 11.21%                                    | 13.77%                 | 35.04%                     | 33.42%                   |

\*Based on audited figures as at 30 Sep 2021 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund for the financial year ended 31 Dec 2021 are not available.

\*\*Based on audited figures as at 30 Sep 2020 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 31 December 2021 amounts to S\$33,613.69.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Premium Balanced Fund

### Fund Objective

HSBC Insurance Premium Balanced Fund<sup>1</sup> (the "ILP Sub-Fund") seeks to achieve long-term capital appreciation through investment in a diversified portfolio of securities.

The ILP Sub-Fund invests 100% into iFAST-DWS Premier Select Trust (the "Underlying Sub-Fund")

### Investment and Market Review ^

iFAST-DWS Premier Select Trust's current investment strategy is to invest into 2 ETFs i.e. more than 70.9% of its net asset value into the Xtrackers II Singapore Government Bond UCITS ETF ("SGB-ETF") and less than 28.9% into the Xtrackers MSCI World UCITS ETF ("MSCI ETF").

### FUND FACTS

Underlying Sub-Fund iFAST-DWS Premier Select Trust<sup>2</sup>

Fund Manager iFAST Financial Pte. Ltd<sup>3</sup>

Launch Date 2 Jan 2001

CPFIS/SRS\* SRS

CPFIS Risk N.A

Classification

As at 31 December 2021

Offer Price S\$ 2.13273

Bid Price S\$ 2.02609

Fund Size S\$ 124.83 mil

Units in Issue 61.61 mil

<sup>1</sup> HSBC Insurance Premium Balanced Fund is formerly known as Premium Balanced Fund.

<sup>2</sup> Prior to 28 November 2014, the Underlying Sub-Fund was Deutsche Premier Select Trust. From 28 November 2014: DWS Premier Select Trust. From 30 July 2021: iFAST-DWS Premier Select Trust.

<sup>3</sup> Prior to 30 July 2021, the Underlying Sub-Fund Manager was DWS Investments Singapore Limited.

\*Note: With effect from 27 Mar 2017, the Fund has been delisted from CPFIS

### Market Outlook and Investment Strategy ^

Please refer to CIO View published on the DWS Website: <https://www.dws.com/en-sg/insights/cio-view/>.

^ Source: DWS Investments Singapore Limited

## A) Fund Performance

### I Cumulative Total Returns

|                                       | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---------------------------------------|-------|-------|--------|--------|--------|---------|------------------|
|                                       | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Premium Balanced Fund* | 1.22  | 1.38  | 2.33   | 21.00  | 35.07  | 72.05   | 113.27           |

### II Average Annual Compounded Returns

|                                       | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---------------------------------------|--------|--------|---------|------------------|
|                                       | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Premium Balanced Fund* | 6.56   | 6.20   | 5.58    | 3.69             |

\*There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

^Inception Date: 13 Feb 2001

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class              | As at 31 Dec 2021 |               |
|--------------------------|-------------------|---------------|
|                          | % of NAV          | MV S\$ mil    |
| DWS Premier Select Trust | 100.06            | 124.90        |
| Other assets             | 0.13              | 0.16          |
| Other liabilities        | (0.18)            | (0.23)        |
| <b>Total</b>             | <b>100.00</b>     | <b>124.83</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 2,298,373   |
| Redemption   | (5,315,874) |

## C) Underlying Fund Disclosure (iFAST-DWS Premier Select Trust)

### I Allocation by Country

| Country          | As at 31 Dec 2021 |               |
|------------------|-------------------|---------------|
|                  | % of NAV          | MV S\$ mil    |
| Luxembourg       | 70.98             | 120.54        |
| Ireland          | 28.87             | 49.03         |
| Other net assets | 0.15              | 0.25          |
| <b>Total</b>     | <b>100.00</b>     | <b>169.83</b> |

### II Allocation by Industry

| Industry              | As at 31 Dec 2021 |               |
|-----------------------|-------------------|---------------|
|                       | % of NAV          | MV S\$ mil    |
| Exchange Traded Funds | 99.85             | 169.58        |
| Other net assets      | 0.15              | 0.25          |
| <b>Total</b>          | <b>100.00</b>     | <b>169.83</b> |

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Fund^

|  | As at 31 Dec 2021 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Xtrackers II Singapore Government Bond UCITS ETF | 0.71              | 120.54     |
| Xtrackers MSCI World UCITS ETF                   | 0.29              | 49.03      |

### Top Ten Holdings of Underlying Fund^

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| Xtrackers II Singapore Government Bond UCITS ETF | 69.98             | 125.49     |
| Xtrackers MSCI World UCITS ETF                   | 29.97             | 53.74      |

^Less than Ten Holdings in the Underlying Fund.

**V Exposure to Derivatives** **As at 31 Dec 2021**  
Nil.

**VI Borrowings of Net Asset Value** **As at 31 Dec 2021**  
Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Premium Balanced Fund</b> |                        | <b>Underlying Fund</b> |                         |
|----------------------------------|---|------------------------|------------------------|-------------------------|
|                                  | <b>As at 31-Dec-21</b>                      | <b>As at 31-Dec-20</b> | <b>As at 31-Dec-21</b> | <b>As at 30-Sep-20*</b> |
| Expense Ratio                    | 1.06%                                       | 1.08%                  | 0.91%                  | 0.94%                   |
|                                  |   |                        |                        | <b>As at 31-Dec-20</b>  |
| Turnover Ratio                   | 4.00%                                       | 4.33%                  | 2.64%                  | 2.47%                   |

\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of DWS Premier Select Trust for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**  
N.A.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**  
Nil.

**IV Soft Dollar Commission Arrangement**  
Nil.

**E) Financial Statements**  
Refer to page 167 onwards.

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## HSBC Insurance Singapore Bond Fund

### Fund Objective

HSBC Insurance Singapore Bond Fund (the "ILP Sub-Fund") invests for long - term total return (meaning capital growth and income) in a portfolio of bonds. In normal market conditions, at least 90% of the Fund's assets are invested in Investment - Grade and Non - Investment Grade bonds issued or guaranteed by governments, government agencies or supra national bodies or issued by companies in Asia and which are denominated in SGD or denominated in a non-SGD currency but hedged back to SGD.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds - Singapore Dollar Income Bond (the "Underlying Sub-Fund").

### FUND FACTS

#### Underlying Sub-Fund\*

HSBC Global Investment Funds - Singapore Dollar Income Bond  
HSBC Global Asset Management (Singapore) Limited  
2 May 2002  
SRS  
N.A

#### Fund Manager

#### Launch Date

CPFIS/SRS

#### CPFIS Risk

#### Classification

As at 31 December 2021

#### Offer Price

S\$ 1.53086

#### Bid Price

S\$ 1.45432

#### Fund Size

S\$ 21.62 mil

#### Units in Issue

14.87 mil

\*Note: With effect from 20 July 2020, the underlying Sub-fund of HSBC Insurance Singapore Bond Fund, DWS Lion Bond Fund was replaced with HSBC Global Investment Funds - Singapore Dollar Income Bond.

### Investment and Market Review ^

The Singapore dollar bond market completed 2H21 lower amid higher bond yields while credit spread compressed, with government bonds trailing non-government bonds. Singapore sovereign yield curve tracked the US treasury curve closely to shift higher and flattened from the short-end. The MAS delivered a hawkish surprise in its October meeting by slightly raising the slope of its currency band. The central bank also raised growth and inflation expectation in light of optimism over the reopening of the economy. The hawkish response from the MAS alongside increased expectations of an accelerated start to the Fed's next rate-hiking cycle had driven short-yields higher. Despite a surge in new COVID-19 cases, the government remains committed to a further reopening with high full vaccination rate. On fiscal policy, the government in September announced additional fiscal support measures worth SGD0.6bn (0.1% of GDP) to vulnerable sectors, but this will be funded by higher-than-expected revenue collection, though Finance Minister has not ruled out a further draw on past reserves. Economic data release over 4Q21 continued to be solid, with its GDP and core CPI surprising to the upside.

### Market Outlook and Investment Strategy ^

Despite the Omicron contagion globally, Singapore has been relatively stronger maintaining its economy with higher level of vaccination rates now. Market participants largely expects Singapore to enjoy above-trend growth going into 2022, supporting interest rate normalisation with the US in the coming year. We expect the MAS to stay data dependent on monetary policy and see core CPI to rise further into 2022 amid the emergence of domestic price pressures and higher external prices. As a result, our base case scenario is for more policy normalisation into 2022. We believe the long-end of the Singapore sovereign curve would stay correlated with the US treasury curve, while the short-end of the curve would stay relatively stable. For Asia credit, we expect the recovery from China property sector to be gradual and credit selection remains key, particularly in the first half of 2022. While markets outside of China might have seen their spreads broadly tightened in 2021, average valuations remain attractive relative to other major credit markets. This together with the global low-yield environment (although normalising) and the continued macro recovery for most Asian economies, point to a constructive outlook for Asia credit. The fund's positioning has remained broadly stable with duration being managed at around four years. It continues to hold a meaningful size of SGD denominated investment grade bonds. At the same time, it also diversifies into the US dollar Asian credit market which offers a wider selection of bonds across the credit rating spectrum than the SGD bond market.

^ Source: HSBC Global Asset Management (HK) Limited



## A) Fund Performance

### I Cumulative Total Returns

|                                     | 3-Mth  | 6-Mth  | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|-------------------------------------|--------|--------|--------|--------|--------|---------|------------------------------|
|                                     | (%)    | (%)    | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Singapore Bond Fund* | (1.93) | (3.19) | (3.35) | 3.92   | 7.04   | 17.38   | 48.40                        |

### II Average Annual Compounded Returns

|                                     | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|-------------------------------------|--------|--------|---------|------------------------------|
|                                     | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance Singapore Bond Fund* | 1.29   | 1.37   | 1.62    | 2.04                         |

\*There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

<sup>^</sup>Inception Date: 04 Jun 2002

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                         | As at 31 Dec 2021 |              |
|-------------------------------------|-------------------|--------------|
|                                     | % of NAV          | MV S\$ mil   |
| HSBC GIF Singapore Dollar Bond Fund | 100.00            | 21.62        |
| <b>Total</b>                        | <b>100.00</b>     | <b>21.62</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 624,166     |
| Redemption   | (2,083,606) |

## C) Underlying Fund Disclosure (HSBC GIF Singapore Dollar Bond Fund)

### I Allocation by Country

| Country        | As at 31 Dec 2021 |               |
|----------------|-------------------|---------------|
|                | % of NAV          | MV S\$ mil    |
| Singapore      | 46.42             | 132.51        |
| Mainland China | 15.07             | 43.01         |
| India          | 9.60              | 27.40         |
| Hong Kong SAR  | 8.30              | 23.69         |
| Australia      | 4.78              | 13.63         |
| Indonesia      | 4.43              | 12.64         |
| Thailand       | 3.77              | 10.77         |
| South Korea    | 3.18              | 9.06          |
| Others*        | 3.53              | 10.07         |
| Cash           | 0.94              | 2.68          |
| <b>Total</b>   | <b>100.00</b>     | <b>285.46</b> |

\*Include other countries

### II Allocation by Industry

| Industry               | As at 31 Dec 2021 |               |
|------------------------|-------------------|---------------|
|                        | % of NAV          | MV S\$ mil    |
| Banks                  | 29.05             | 82.92         |
| Reits                  | 16.46             | 46.99         |
| Real Estate            | 10.57             | 30.19         |
| Diversified Finan serv | 7.09              | 20.23         |
| Consumer Cyclical      | 6.80              | 19.40         |
| Industrial             | 6.40              | 18.25         |
| Energy                 | 5.15              | 14.70         |
| Utilities              | 3.88              | 11.07         |
| Government             | 3.26              | 9.30          |
| Communications         | 2.79              | 7.95          |
| Others*                | 7.63              | 21.77         |
| Cash                   | 0.94              | 2.68          |
| <b>Total</b>           | <b>100.00</b>     | <b>285.46</b> |

\*Include other industries

### III Allocation of Debt Securities by Credit Ratings

| Rating       | As at 31 Dec 2021 |               |
|--------------|-------------------|---------------|
|              | % of NAV          | MV S\$ mil    |
| AAA          | 5.95              | 16.98         |
| AA           | 3.13              | 8.93          |
| A            | 29.39             | 83.88         |
| BBB          | 38.80             | 110.76        |
| BB           | 15.25             | 43.52         |
| B            | 2.78              | 7.93          |
| Unrated      | 3.78              | 10.78         |
| Cash         | 0.94              | 2.68          |
| <b>Total</b> | <b>100.00</b>     | <b>285.46</b> |

### IV Top Ten Holdings of Underlying Fund

|                                 | As at 31 Dec 2021 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV S\$ mil |
| Mapletree Commer 3.110 24/08/26 | 2.30              | 6.56       |
| Ascendas Reit 3.140 02/03/25    | 2.30              | 6.56       |
| Cct Mtn Pte Ltd 3.170 05/03/24  | 2.29              | 6.54       |
| Boc Aviation 3.930 11/05/25     | 2.26              | 6.44       |
| United Overseas 2.550           | 2.23              | 6.38       |
| Changi Airport G 1.880 12/05/31 | 2.08              | 5.94       |
| Aia Group 2.900                 | 2.04              | 5.82       |
| Aust & Nz Bank 3.750 23/03/27   | 1.95              | 5.58       |
| United Overseas 3.500 27/02/29  | 1.92              | 5.49       |
| Oversea-Chinese 1.832 10/09/30  | 1.88              | 5.36       |

### Top Ten Holdings of Underlying Fund

|                                 | As at 31 Dec 2020 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV S\$ mil |
| United Overseas 3.500 27/02/29  | 2.00              | 6.70       |
| Mapletree Commer 3.110 24/08/26 | 1.84              | 6.21       |
| Aust & NZ Bank 3.750 23/03/27   | 1.68              | 5.66       |
| Logan Group Co 6.125 16/04/21   | 1.67              | 5.63       |
| DBS Group Hldgs 3.800 20/01/28  | 1.66              | 5.60       |
| Ascendas REIT 3.140 02/03/25    | 1.62              | 5.44       |
| SMRT Capital Pte 3.072 11/06/24 | 1.60              | 5.40       |
| Oversea-Chinese 1.832 10/09/30  | 1.60              | 5.39       |
| Singtel Group Tr 2.720 03/09/21 | 1.60              | 5.38       |
| Optus Finance 3.240 29/09/22    | 1.55              | 5.22       |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.40%             |
| Market value (S\$)                | 1,146,397         |
| Realised Gains / (Losses) (S\$)   | (4,822,216)       |
| Unrealised Gains / (Losses) (S\$) | 1,207,631         |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

### D) Other Disclosure Items

| Expense/Turnover Ratios | HSBC Insurance Singapore Bond Fund |                 | Underlying Fund  |                   |
|-------------------------|------------------------------------|-----------------|------------------|-------------------|
|                         | As at 31-Dec-21                    | As at 31-Dec-20 | As at 31-Mar-21* | As at 30-Sep-20** |
| Expense Ratio           | 1.04%                              | 0.85%           | 1.00%            | 0.96%             |
| Turnover Ratio          | 5.41%                              | 108.14%         | 0.53%            | 0.46 %            |

\*Based on audited figure at 31 Mar 2021 as the expense ratio of HSBC GIF Singapore Dollar Bond Fund for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds - Singapore Dollar Bond Fund for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

HSBC Insurance Singapore Bond Fund invests S\$21.63 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Fund - Singapore Bond Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 Dec 2021 amounts to S\$91,771.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Singapore Equity Fund

### Fund Objective

HSBC Insurance Singapore Equity Fund (the "ILP Sub-Fund") seeks to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The portfolio will be broadly diversified with no specific industry or sectoral emphasis.

ILP Sub-Fund investments are made by way of a feeder fund, which invests all or substantially all its assets in the Schroder Singapore Trust (the "Underlying Fund").

### FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | Schroder Singapore Trust                       |
| Fund Manager              | Schroder Investment Management (Singapore) Ltd |
| Launch Date               | 3 August 2015                                  |
| CPFIS/SRS                 | SRS  |
| CPFIS Risk Classification | N.A.   |
| As at 31 December 2021    |  |
| Offer Price               | S\$ 1.35742                                    |
| Bid Price                 | S\$ 1.28955                                    |
| Fund Size                 | S\$ 18.98 mil                                  |
| Units in Issue            | 14.72 mil                                      |

### Investment and Market Review ^

Over the 6-month period, the Singapore equity market registered marginal gains, on the back of easing concerns that outcomes for the Omicron variant were less severe than expected. However, rising inflation indicators near the end of the period tempered risk sentiment.

The Fund's allocation to Sea was the largest detractor from performance, largely in December 2021, as shares did poorly on concerns over a slowdown in gaming as well as further losses over investments in new markets. Additionally, the Fund's underweight position in the stock prior to its benchmark change in December 2021 negatively impacted relative performance, as Sea was a major index component and shares did well over that period. Another key detractor was the Fund's overweight position in Manulife US REIT, as a slower-than-expected return to working on office premises was caused by rising COVID cases and the uneven progress in vaccination rates across different states in the US.

Conversely, the Fund's underweight position in Jardine Matheson was the largest contributor to performance, with shares performing poorly as its businesses which are exposed to hospitality, retail, and office demand in the region were expected to be impacted a set-back in re-opening given the Omicron variant. For similar reasons, our underweight position in Hongkong Land outperformed as well. The Fund's underweight allocation to Genting Singapore also outperformed as shares did poorly on delayed expectations of an economic re-opening to tourism, given rising domestic COVID case counts.

### Market Outlook and Investment Strategy ^

As we await further indication as to whether the US Federal Reserve will start hiking rates after completing its asset purchases tapering in March 2022, the market has begun to price in the possibility of the upcoming rate hikes. While this has yet to materially impact funding costs for borrowers, equity markets have started to price this in for interest rate-sensitive sectors.

The REIT sector is heavily reliant on low cost of funding and low capitalisation rates for assets in order to maintain both earnings and valuations. While both factors were tailwinds when rates were low over the past decade, rising rates would result in a higher cost of debt and higher capitalisation rates, thus working against them. The market has started adjusting for this, as the FTSE ST REIT Index has underperformed the STI index since the start of 2022, with the pressure likely to build if the Fed does confirm the start of a rate hike cycle. On the other hand, banks have been faced with downwards net interest margin (NIM) pressure over the past decade due to the low-rate environment. As expectations of a higher rate environment build up going forward, a steeper yield curve would be positive for overall earnings for the banks.

However, it is still not a foregone conclusion that the Fed will be raising rates, as that would depend heavily on the state of the US economy at that point in time, as well as whether there is any respite in sight for the various inflationary pressures currently plaguing the system. Given these factors, we continue to favour companies that are taking active steps to reposition to operate flexibly in a post-COVID economic system.

^ Source: Schroder Investment Management (Singapore) Ltd

## A) Fund Performance

### I Cumulative Total Returns

|                                      | 3-Mth  | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--------------------------------------|--------|-------|--------|--------|--------|---------|------------------|
|                                      | (%)    | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Singapore Equity Fund | (0.06) | 0.92  | 11.40  | 12.67  | 28.70  | N.A.    | 28.96            |
| Benchmark*                           | 0.16   | 1.14  | 12.52  | 16.10  | 34.51  | N.A.    | 30.77            |

### II Average Annual Compounded Returns

|                                      | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--------------------------------------|--------|--------|---------|------------------|
|                                      | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Singapore Equity Fund | 4.06   | 5.18   | N.A.    | 4.07             |
| Benchmark*                           | 5.10   | 6.11   | N.A.    | 4.30             |

\* Benchmark details:

MSCI Singapore Free Index

^Inception Date: 17 Aug 2015

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class              | As at 31 Dec 2021 |
|--------------------------|-------------------|
|                          | % of NAV          |
| Schroder Singapore Trust | 100.00            |
| Total                    | 100.00            |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 1,638,996   |
| Redemption   | (2,165,166) |

## C) Underlying Fund Disclosure (Schroder Singapore Trust)

### I Allocation by Country

| Country                        | As at 31 Dec 2021 |
|--------------------------------|-------------------|
|                                | % of NAV          |
| Singapore                      | 98.65             |
| Other net assets/(liabilities) | 1.35              |
| Total                          | 100.00            |

### II Allocation by Industry

| Industry                      | As at 31 Dec 2021 |
|-------------------------------|-------------------|
|                               | % of NAV          |
| Agriculture                   | 5.12              |
| Bank                          | 46.12             |
| Computer/Software             | 3.71              |
| Diversified Operations        | 4.61              |
| Finance                       | 4.99              |
| Food & Beverage               | 0.91              |
| Health Care/Pharmaceuticals   | 0.74              |
| Industrial And Transportation | 1.56              |
| Miscellaneous                 | 0.29              |
| Real Estate                   | 20.36             |
| Semiconductor                 | 0.71              |
| Others*                       | 9.54              |
| Total                         | 100.00            |

\*Includes other industries and net assets and liabilities

### III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Fund

|                                       | As at 31 Dec 2021 |            |
|---------------------------------------|-------------------|------------|
|                                       | % of NAV          | MV S\$ mil |
| DBS Group Hldg Ltd                    | 20.70             | 176.06     |
| Oversea-Chinese Banking Corp Ltd      | 12.78             | 108.74     |
| United Overseas Bank Ltd              | 12.64             | 107.50     |
| Singapore Telecommunications Ltd      | 7.21              | 61.32      |
| Keppel Corp Ltd                       | 4.60              | 39.17      |
| Wilmar Intl Ltd                       | 4.31              | 36.69      |
| Capitaland Investment Ltd/Singapore   | 3.62              | 30.77      |
| Singapore Exchange Ltd                | 3.59              | 30.56      |
| Sea Ltd ADR                           | 2.57              | 21.89      |
| Ascendas Real Estate Investment Trust | 2.30              | 19.69      |

#### Top Ten Holdings of Underlying Fund

|                                       | As at 31 Dec 2020 |            |
|---------------------------------------|-------------------|------------|
|                                       | % of NAV          | MV S\$ mil |
| DBS Group Hldg Ltd                    | 15.51             | 124.92     |
| Oversea-Chinese Banking Corp Ltd      | 11.69             | 94.11      |
| United Overseas Bank Ltd              | 10.97             | 88.35      |
| Singapore Telecommunications Ltd      | 8.66              | 69.71      |
| Wilmar Intl Ltd                       | 5.12              | 41.21      |
| Keppel Corp Ltd                       | 4.77              | 38.43      |
| Capitaland Ltd                        | 3.13              | 25.17      |
| Singapore Exchange Ltd                | 3.05              | 24.53      |
| Ascendas Real Estate Investment Trust | 2.63              | 21.16      |
| Fraser's Logistics & Industrial Trust | 2.60              | 20.97      |

#### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.00%*            |
| Market value (S\$)                | 9                 |
| Realised Gains / (Losses) (S\$)   | (68,508)          |
| Unrealised Gains / (Losses) (S\$) | 9                 |
| * Less than 0.01%                 |                   |

#### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Singapore Equity Fund |                 | Underlying Fund |                 |
|---------------------------|--------------------------------------|-----------------|-----------------|-----------------|
|                           | As at 31-Dec-21                      | As at 31-Dec-20 | As at 31-Dec-21 | As at 31-Dec-20 |
| Expense Ratio             | 1.36%                                | 1.39%           | 1.33%           | 1.32%           |
| Turnover Ratio            | 18.21%                               | 19.03%          | 10.89%          | 10.28%          |

#### II Related-Party Transactions

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited. With effect from 1 July 2021, The Hongkong and Shanghai Banking Corporation Limited replaces HSBC France, Luxembourg Branch, as the Registrar of the Fund. Both Trustee and Registrar are subsidiaries of the HSBC Group. The management fees paid to the Manager and registration fees paid to the Registrar; trustee fees, valuation fees and custodian fees charged by the HSBC Group are shown in the Statement of Total Return of the financial statements for the financial period ended 31 December 2021.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance US Equity Portfolio Fund

### Fund Objective

HSBC Insurance US Equity Portfolio Fund (the "ILP Sub-Fund") seeks to provide long term total return by investing in a portfolio of US equities.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Economic Scale US Equity (the "Underlying Sub-Fund").

### FUND FACTS

|                           |   |
|---------------------------|---|
| Underlying Sub-Fund       | HSBC Global Investment Funds – Economic Scale US Equity |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited        |
| Launch Date               | 18 Jan 2016   |
| CPFIS/SRS                 | SRS   |
| CPFIS Risk Classification | N.A.  |
| As at 31 December 2021    |   |
| Offer Price               | S\$ 2.42876   |
| Bid Price                 | S\$ 2.30732   |
| Fund Size                 | S\$ 14.61 mil   |
| Units in Issue            | 6.33 mil  |

### Investment and Market Review <sup>^</sup>

US equity markets rose sharply in the second half of 2021 but those returns were much more volatile than the first half of the year. The third quarter started strongly with rising markets in July and August as the global economy continued its path to normalisation despite worries about the Delta variant and uncertainty on the US Federal Reserve's timing of monetary policy tightening. However, markets started declining in September in the midst of China's manufacturing activity slowdown and continued supply chain disruptions but also prospects of earlier-than-expected rate hike from the Federal Reserve. After the sharp reversal in September, markets rose in October as positive earnings results and a resolution in the US government debt ceiling supported sentiment. But the emergence of the Omicron variant and hawkish comments from the US Federal Reserve chairman caused equities to fall in November. The last month of the year was positive for US markets as investors hung on the optimism of the Omicron variant having a muted impact on the economic recovery despite rising cases.

Over the 6-months rolling to December 2021, the Underlying Sub-Fund underperformed its market cap weighted index. Both our asset allocation and stock selection weighed on performance. On a sector basis, our overweight allocations to Consumer Staples and Consumer Discretionary coupled with an underweight exposure to Communication Services contributed to performance. Conversely, our overweight allocations to Industrials and Financials along with an underweight exposure to Information Technology weighed on performance. On a stock level basis, our underweight exposure to Amazon.com Inc (Consumer Discretionary), Paypal Holdings Inc (Information Technology) and Meta Platforms Inc (Communication Services) contributed to performance. Conversely, our underweight exposures to Apple Inc (Information Technology), Tesla Inc (Consumer Discretionary) and Microsoft Corp (Information Technology) weighed on performance.

### Market Outlook and Investment Strategy <sup>^</sup>

The strategy aims to outperform the market cap index over the long term by using an alternatively weighting scheme to provide investors with exposure that reflects the economic scale or 'footprint' of companies rather than their respective market capitalisation. This is calculated as the company's contribution to Gross National Product (GNP). The strategy has implicit biases towards small cap and value stocks, which suffered in the second half of the year.

Supply-side constraints are expected to linger in the early part of 2022, keeping inflation elevated. However, goods shortages should ease amid a rotation towards services spending, business investment and hiring. This will also support growth. The new COVID-19 variant Omicron poses downside risks to activity in Q1 2022, while at the same time can exacerbate inflationary pressures. US equity valuations are relatively high which implies some caution. However, exposure to quality names, mega-cap tech and the digital economy remains beneficial. Risks to US Treasury yields remain tilted to the upside amid robust global growth expansion, Fed policy normalisation and inflation uncertainties.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited



## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|---|-------|-------|--------|--------|--------|---------|------------------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance US Equity Portfolio Fund | 6.82  | 7.73  | 33.78  | 79.87  | 73.63  | N.A.    | 130.73                       |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|--|--------|--------|---------|------------------------------|
|  | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance US Equity Portfolio Fund* | 21.62  | 11.67  | N.A.    | 15.14                        |

\* There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

Prior to December 2021, the benchmark was S&P 500 Net.

<sup>^</sup>Inception Date: 28 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021 |              |
|--|-------------------|--------------|
|  | % of NAV          | MV S\$ mil   |
| HSBC Global Investment Funds – Economic Scale US Equity Fund | 100.00            | 14.61        |
| <b>Total</b>   | <b>100.00</b>     | <b>14.61</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 1,368,602   |
| Redemption   | (2,614,135) |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Economic Scale US Equity Fund)

### I Allocation by Country

| Country       | As at 31 Dec 2021 |               |
|---------------|-------------------|---------------|
|               | % of NAV          | MV S\$ mil    |
| United States | 98.27             | 419.49        |
| Cash          | 1.73              | 7.38          |
| <b>Total</b>  | <b>100.00</b>     | <b>426.87</b> |

### II Allocation by Industry

| Industry               | As at 31 Dec 2021 |               |
|------------------------|-------------------|---------------|
|                        | % of NAV          | MV S\$ mil    |
| Information Technology | 16.18             | 69.07         |
| Industrials            | 14.51             | 61.94         |
| Financials             | 14.22             | 60.69         |
| Consumer Discretionary | 13.20             | 56.36         |
| Health Care            | 10.56             | 45.06         |
| Consumer Staples       | 10.03             | 42.81         |
| Communication Services | 8.28              | 35.33         |
| Energy                 | 4.45              | 18.99         |
| Materials              | 3.70              | 15.78         |
| Real Estate            | 1.80              | 7.68          |
| Utilities              | 1.35              | 5.78          |
| Cash                   | 1.73              | 7.38          |
| <b>Total</b>           | <b>100.01</b>     | <b>426.87</b> |

### III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

|                        | As at 31 Dec 2021 |            |
|------------------------|-------------------|------------|
|                        | % of NAV          | MV S\$ mil |
| Walmart Inc            | 3.12              | 13.31      |
| Apple Inc              | 1.97              | 8.42       |
| AT&T Inc               | 1.64              | 6.98       |
| JPMorgan Chase & Co    | 1.37              | 5.83       |
| Bank of America Corp   | 1.21              | 5.16       |
| General Electric Co    | 1.16              | 4.97       |
| Wells Fargo & Co       | 1.15              | 4.92       |
| Berkshire Hathaway Inc | 1.14              | 4.86       |
| Amazon.com Inc         | 1.12              | 4.76       |
| Microsoft Corp         | 1.07              | 4.56       |

#### Top Ten Holdings of Underlying Sub-Fund

|                            | As at 31 Dec 2020 |            |
|----------------------------|-------------------|------------|
|                            | % of NAV          | MV S\$ mil |
| Walmart Inc                | 2.99              | 9.67       |
| Apple Inc                  | 1.92              | 6.22       |
| JP Morgan Chase & Co       | 1.45              | 4.72       |
| General Electric Co        | 1.45              | 4.69       |
| Wells Fargo & Co           | 1.44              | 4.68       |
| AT&T Inc                   | 1.38              | 4.49       |
| Bank of America Corp       | 1.31              | 4.25       |
| Verizon Communications Inc | 1.07              | 3.46       |
| Berkshire Hathaway Inc     | 1.00              | 3.26       |
| Citigroup Inc              | 0.97              | 3.16       |

#### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.17%             |
| Market value (S\$)                | 735,564           |
| Realised Gains / (Losses) (S\$)   | (3,060,547)       |
| Unrealised Gains / (Losses) (S\$) | 1,666,723         |

#### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance US Equity Portfolio Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|---|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                         | As at 31-Dec-20 | As at 31-Mar-21*    | As at 30-Sep-20** |
| Expense Ratio             | 0.79%                                   | 0.79%           | 0.75%               | 0.75%             |
| Turnover Ratio            | 16.54%                                  | 22.56%          | 0.36%               | 0.14%             |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Economic Scale US Equity Fund for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds – Economic Scale US Equity Fund for the financial year ended 31 Dec 2020 is not available.

#### II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund invests S\$14.61 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Economic Scale US Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$14,708.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance US Opportunities Equity Fund

### Fund Objective

HSBC Insurance US Opportunities Equity Fund the "ILP Sub-Fund") seeks to provide capital appreciation through investments concentrated in equities of US issuers.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund (Class A (acc) SGD-H1 (hedged)) (the "Underlying Sub-Fund").

### FUND FACTS

|                           |                                 |
|---------------------------|---------------------------------|
| Underlying Sub-Fund       | Franklin US Opportunities Fund  |
| Fund Manager              | Templeton Asset Management Ltd. |
| Launch Date               | 18 Jan 2016                     |
| CPFIS/SRS                 | SRS                             |
| CPFIS Risk Classification | N.A.                            |
| As at 31 December 2021    |                                 |
| Offer Price               | S\$ 3.02957                     |
| Bid Price                 | S\$ 2.87809                     |
| Fund Size                 | S\$ 22.79 mil                   |
| Units in Issue            | 7.92 mil                        |

### Investment and Market Review ^

After peaking at all-time highs, broad gages of US equities sold off during the final weeks of 2021's third quarter as investors grappled with a number of current and potential headwinds facing American businesses. However, robust corporate earnings and improved balance sheet health counterbalanced some of the negative market forces, as did upgraded forward estimates for a wide range of companies and industries.

The US equity market advanced solidly yet unevenly during 2021's fourth quarter. Corporate fundamentals were a primary market support as nearly all sectors were at or close to record highs in their forward revenues, earnings and profit margins, showing that companies were thus far weathering the headwinds of inflation, supply-chain pressures and labour shortages. In December, investors grew less fearful of the potential economic impact from the new COVID-19 Omicron variant after incoming data indicated its symptoms were milder than those of other strains. Meanwhile, in response to the country's highest inflation rates in decades, the US Federal Reserve announced the commencement and then the acceleration of asset purchase tapering and raised its median expectation to three interest-rate hikes in 2022.

### Market Outlook and Investment Strategy ^

We seek to position our portfolios and investments not necessarily for today or next quarter but looking out through the next year and beyond. We believe the long-term secular growth trends we have identified can be the real drivers of equity market appreciation in the long run.

While the economic backdrop appears robust, we acknowledge that 2022 may bring an increase in financial market volatility from variables such as inflation, interest rates and the coronavirus. It is apparent that some investors will steer clear of the tech sector until (1) they can develop confidence in the rate and pace of Federal Reserve policy actions; and (2) they can better understand the durability of growth within the sector after a period of strong technology adoption during the pandemic. However, we continue to see opportunities to invest in what we consider to be high-quality businesses with sustainable growth drivers that are not reflected in current valuations. Many of these investments are levered to strong secular growth themes that we believe can deliver consistent performance throughout the market cycle.

Many of our investments remain focused on the ongoing digital transformation of the global economy. The move from an analogue-based world to a digital one is allowing companies to better understand customers, improve business processes, increase productivity and lower costs. We believe active management is critical to successfully navigate these dynamic financial markets. We take a long-term view and see volatility as an opportunity to take advantage of what we consider good prices for excellent companies set to benefit from multi-year secular growth trends. We remain confident in our growth positioning as we seek to identify companies that we believe can be future leaders within the US economy and the overall market.

^ Source: Templeton Asset Management Ltd.

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---|-------|-------|--------|--------|--------|---------|------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance US Opportunities Equity Fund | 3.75  | 3.69  | 16.19  | 114.24 | 161.05 | N.A.    | 187.81           |
| Benchmark*                                  | 10.10 | 11.95 | 28.46  | 133.80 | 179.17 | N.A.    | 231.25           |

### II Average Annual Compounded Returns

|   | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---|--------|--------|---------|------------------|
|   | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance US Opportunities Equity Fund | 28.91  | 21.16  | N.A.    | 19.52            |
| Benchmark*                                  | 32.72  | 22.79  | N.A.    | 22.39            |

\* Benchmark details:

Russell 3000 Growth Index

^Inception Date: 28 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021<br>% of NAV | MV S\$ mil   |
|--|-------------------------------|--------------|
| Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund | 100.00                        | 22.79        |
| <b>Total</b>   | <b>100.00</b>                 | <b>22.79</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 5,961,338   |
| Redemption   | (2,167,135) |

## C) Underlying Fund Disclosure

(Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund)

### I Allocation by Country

| Country                 | As at 31 Dec 2021<br>% of NAV | MV S\$ mil       |
|-------------------------|-------------------------------|------------------|
| United States           | 94.08                         | 11,716.79        |
| United Kingdom          | 1.44                          | 179.30           |
| Canada                  | 1.07                          | 133.01           |
| Netherlands             | 0.51                          | 63.93            |
| China                   | 0.45                          | 55.41            |
| Israel                  | 0.26                          | 32.08            |
| Taiwan                  | 0.25                          | 30.67            |
| Switzerland             | 0.12                          | 15.07            |
| Germany                 | 0.10                          | 11.93            |
| Brazil                  | 0.07                          | 8.47             |
| Cash & Cash Equivalents | 1.66                          | 207.26           |
| <b>Total</b>            | <b>100.00</b>                 | <b>12,453.91</b> |

### II Allocation by Industry

| Industry                | As at 31 Dec 2021<br>% of NAV | MV S\$ mil       |
|-------------------------|-------------------------------|------------------|
| Information Technology  | 43.63                         | 5,434.00         |
| Health Care             | 16.04                         | 1,998.07         |
| Consumer Discretionary  | 15.48                         | 1,927.77         |
| Communication Services  | 6.12                          | 761.73           |
| Industrials             | 5.72                          | 712.50           |
| Financials              | 4.93                          | 613.75           |
| Real Estate             | 2.39                          | 297.19           |
| Consumer Staples        | 2.18                          | 271.16           |
| Utilities               | 0.47                          | 59.04            |
| Materials               | 1.38                          | 171.45           |
| Cash & Cash Equivalents | 1.66                          | 207.25           |
| <b>Total</b>            | <b>100.00</b>                 | <b>12,453.91</b> |

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Fund

|                         | As at 31 Dec 2021 |            |
|-------------------------|-------------------|------------|
|                         | % of NAV          | MV S\$ mil |
| Amazon.Com Inc          | 7.12              | 886.44     |
| Apple Inc               | 4.55              | 567.11     |
| Microsoft Corp          | 4.54              | 565.91     |
| Mastercard Inc          | 3.54              | 440.57     |
| Nvidia Corp             | 3.41              | 424.39     |
| Alphabet Inc            | 3.04              | 378.70     |
| ServiceNow Inc          | 2.79              | 347.14     |
| Sba Communications Corp | 2.39              | 297.19     |
| INTUIT INC              | 2.29              | 285.18     |
| Bill.Com Holdings Inc   | 2.20              | 274.56     |

### Top Ten Holdings of Underlying Fund

|                         | As at 31 Dec 2020 |            |
|-------------------------|-------------------|------------|
|                         | % of NAV          | MV S\$ mil |
| Amazon.Com Inc          | 8.26              | 831.12     |
| Microsoft Corp          | 5.07              | 510.36     |
| Mastercard Inc          | 4.35              | 437.76     |
| Apple Inc               | 3.92              | 393.93     |
| Visa Inc                | 3.51              | 352.77     |
| ServiceNow Inc          | 2.96              | 297.24     |
| Costar Group Inc        | 2.36              | 237.56     |
| Alphabet Inc            | 2.23              | 224.20     |
| SBA Communications Corp | 2.06              | 206.73     |
| Adobe Inc               | 1.99              | 199.70     |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | (0.06)%           |
| Market value (S\$)                | (6,742,840)       |
| Realised Gains / (Losses) (S\$)   | 57,979,619        |
| Unrealised Gains / (Losses) (S\$) | (6,742,840)       |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance US Opportunities Equity Fund |                 | Underlying Fund           |                             |
|---------------------------|---|-----------------|---------------------------|-----------------------------|
|                           | As at 31-Dec-21                             | As at 31-Dec-20 | As at 31-Dec-21           | As at 30-Sep-20**           |
| Expense Ratio             | 1.84%                                       | 1.85%           | 1.81%                     | 1.81%                       |
| Turnover Ratio            | 12.39%                                      | 14.33%          | As at 30-Jun-21* (55.69%) | As at 30-Jun-20*** (74.14%) |

\*Based on audited figure as at 30 Jun 2021 as the turnover ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 31 Dec 2021 is not available. Turnover ratio calculation is based on Luxembourg GAAP.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 31 Dec 2020 is not available.

\*\*\*Based on audited figure as at 30 Jun 2020 as the turnover ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 31 Dec 2020 is not available. Turnover ratio calculation is based on Luxembourg GAAP.

### II Related-Party Transactions

N.A.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### **IV Soft Dollar Commission Arrangement**

For the period 1 January 2021 to 31 December 2021, the Franklin Templeton Investment Funds – Franklin US Opportunities Fund paid US\$332,813 in commission dollars generated from portfolio transactions to pay for goods or services provided by third parties under a soft dollar arrangement. All goods and services acquired with the soft dollar commission were for the benefit of the unit trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

#### **E) Financial Statements**

Refer to page 167 onwards.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance World Selection Funds

| <b>Fund Facts</b>         | <b>HSBC Insurance World Selection 1 Fund</b>     | <b>HSBC Insurance World Selection 2 Fund</b> | <b>HSBC Insurance World Selection 3 Fund</b> |
|---------------------------|--|--|--|
| Launch Date               | 01 Apr 2010                                      | 5 Nov 2018                                   | 1 Apr 2010                                   |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited |  |  |
| Underlying Sub-Fund       | HSBC Portfolios – World Selection 1              | HSBC Portfolios – World Selection 2          | HSBC Portfolios – World Selection 3          |
| CPFIS/SRS                 |  | SRS  |  |
| CPFIS Risk Classification |  | N.A.   |  |
| As at 31 December 2021    |  |  |  |
| Offer Price               | S\$ 1.42891                                      | S\$ 1.19700                                  | S\$ 1.79274                                  |
| Bid Price                 | S\$ 1.35746                                      | S\$ 1.19700                                  | S\$ 1.70310                                  |
| Fund Size                 | S\$ 3.58 mil                                     | S\$ 0.43 mil                                 | S\$ 16.85 mil                                |
| Units in Issue            | 2.64 mil   | 0.36 mil                                     | 9.89 mil                                     |

| <b>Fund Facts</b>         | <b>HSBC Insurance World Selection 4 Fund</b>     | <b>HSBC Insurance World Selection 5 Fund</b> |
|---------------------------|--|--|
| Launch Date               | 5 Nov 2018                                       | 1 Apr 2010                                   |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited |  |
| Underlying Sub-Fund       | HSBC Portfolios – World Selection 4              | HSBC Portfolios – World Selection 5          |
| CPFIS/SRS                 |  | SRS  |
| CPFIS Risk Classification |  | N.A.   |

|                        |              |               |
|------------------------|--------------|---------------|
| As at 31 December 2021 |              |               |
| Offer Price            | S\$ 1.37780  | S\$ 2.05959   |
| Bid Price              | S\$ 1.37780  | S\$ 1.95661   |
| Fund Size              | S\$ 2.62 mil | S\$ 21.45 mil |
| Units in Issue         | 1.90 mil     | 10.97 mil     |

## Fund Objectives

HSBC Insurance World Selection 1 Fund seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low risk investment strategy.

HSBC Insurance World Selection 2 Fund seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low to medium risk investment strategy.

HSBC Insurance World Selection 3 Fund seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a medium risk investment strategy.

HSBC Insurance World Selection 4 Fund seeks 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.

HSBC Insurance World Selection 5 Fund seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a high risk investment strategy.

## Investment and Market Review ^

Global equity markets were up 18% over the review period, continuing their strong performance during the Restoration phase of the economic cycle. Markets benefited from the post-Covid market recovery, with the US in particular performing very strongly on the back of rising corporate profitability. Bond markets delivered more subdued returns over the period, with Global Government bonds falling 1.3%, this negative bond market performance was concentrated in the final quarter of the year, as inflation concerns once again flared. By contrast, Commodities and REITs performed very well in this rising inflation expectation environment.



As a result of the equity market strength, and its globally diversified investment approach, the World Selection Fund rose in value over the period.

## Market Outlook and Investment Strategy ^

With many economies now in the expansion phase of the economic cycle, global growth will slow in the coming quarters amid policy normalisation. Supply-side constraints remain a considerable challenge, with Omicron-related disruptions potentially exacerbating existing supply strains.

Going forward we expect stocks to outperform bonds. Within equities, cyclical factors have some space to perform. Given current risks in the market, it also makes sense to hold exposure to some more defensive equity styles (e.g. Quality).

Valuations within Government bonds have recently improved amid a repricing of inflation and interest rate risks. However, we believe risks to yields remain tilted to the upside, resulting in our preference for equity over government bonds in portfolios. Within credit markets low spreads and some uncertainties on the default outlook mean that risks of capital losses in the short term remain. For us, Asia bonds are preferable despite some risks related to deleveraging efforts in China. As a result, we prefer emerging market to developed market credit.

The key downside risks to markets are more persistent inflationary pressure triggering asset market sell-offs, the pandemic lasting longer than expected amid the impact of variants and slow vaccine rollout in some parts of the world and vaccine complacency or stimulus fatigue could mean premature policy withdrawal.

^ Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|-------|-------|--------|--------|--------|---------|------------------|
|  | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance World Selection 1 Fund* | 0.71  | 0.20  | 0.66   | 15.12  | 12.23  | 46.01   | 42.89            |
| HSBC Insurance World Selection 2 Fund* | 1.72  | 0.98  | 4.12   | 22.93  | N.A.   | N.A.    | 19.70            |
| HSBC Insurance World Selection 3 Fund* | 3.07  | 2.19  | 9.03   | 35.41  | 34.48  | 93.56   | 79.27            |
| HSBC Insurance World Selection 4 Fund* | 4.37  | 3.22  | 13.06  | 37.78  | N.A.   | N.A.    | 37.78            |
| HSBC insurance World Selection 5 Fund* | 5.17  | 4.27  | 15.51  | 50.70  | 52.82  | 136.19  | 105.96           |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|--------|---------|------------------|
|  | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance World Selection 1 Fund* | 4.81   | 2.33   | 3.86    | 3.11             |
| HSBC Insurance World Selection 2 Fund* | 7.12   | N.A.   | N.A.    | 6.02             |
| HSBC Insurance World Selection 3 Fund* | 10.63  | 6.10   | 6.83    | 5.11             |
| HSBC Insurance World Selection 4 Fund* | 11.27  | N.A.   | N.A.    | 11.42            |
| HSBC Insurance World Selection 5 Fund* | 14.65  | 8.85   | 8.97    | 6.37             |

\*These Funds do not have a benchmark due to the diverse range of asset classes; some do not have indices that meet the criteria for inclusion in a representative composite benchmark of being both investable and replicable.

^HSBC Insurance World Selection 1 Fund Inception Date: 12 May 2010

HSBC Insurance World Selection 2 Fund Inception Date: 04 Dec 2018

HSBC Insurance World Selection 3 Fund Inception Date: 15 Apr 2010

HSBC Insurance World Selection 4 Fund Inception Date: 14 Jan 2019

HSBC Insurance World Selection 5 Fund Inception Date: 20 Apr 2010

## HSBC Insurance World Selection 1 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                         | As at 31 Dec 2021 |             |
|-------------------------------------|-------------------|-------------|
|                                     | % of NAV          | MV S\$ mil  |
| HSBC Portfolios - World Selection 1 | 100.00            | 3.58        |
| <b>Total</b>                        | <b>100.00</b>     | <b>3.58</b> |

#### II Fund Movement

(01 Jul 2020 – 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 663,383     |
| Redemption   | (1,761,106) |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 1)

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| HSBC GIF Global Govt Bd ZQ1               | 15.52             | 98.88      |
| HSBC FTSE All-World Index Instl Acc       | 7.49              | 47.70      |
| HSBC GIF Global IG Sec Credit Bd ZC       | 3.79              | 24.15      |
| HSBC Multi Factor Worldwide Equity ETF    | 3.31              | 21.08      |
| STRUCT INV SI CRSS AST T-EU               | 3.06              | 19.47      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 2.61              | 16.66      |
| HSBC GIF Multi-Asset Style Factors ZC     | 2.51              | 15.98      |
| HSBC MSCI Canada UCITS ETF                | 2.01              | 12.79      |
| HSBC GIF Global RE Eq ZQ1                 | 1.90              | 12.10      |
| HSBC GIF Global EM Local Dbt ZQ1          | 1.42              | 9.02       |

### Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2020 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| Hsbc FTSE All World Index Instl Acc       | 12.08             | 83.84      |
| Hsbc GIF Global Government Bond ZQ1       | 11.30             | 78.41      |
| Hsbc GIF Global EM Mkts Local Debt ZQ1    | 5.54              | 38.44      |
| Hsbc GIF Global Asset Backed Bond ZC      | 5.05              | 35.04      |
| HSBC US Dollar Liquidity Y                | 4.28              | 29.70      |
| HSBC GIF Global Real Estate Eq ZQ1        | 3.57              | 24.77      |
| HSBC GIF Global Emerging Markets Bond ZQ1 | 3.52              | 24.43      |
| HSBC GIF Multi-Asset Style Factors ZC     | 3.28              | 22.76      |
| HSBC GIF Global High Yield Bond ZQ1       | 3.00              | 20.82      |
| US Treasury N/B 2.0000 31-Oct-21          | 2.15              | 14.92      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.46%             |
| Market value (S\$)                | 9,291,139         |
| Realised Gains / (Losses) (S\$)   | (9,121,399)       |
| Unrealised Gains / (Losses) (S\$) | (2,303,428)       |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 1 Fund</b> |                        | <b>Underlying Sub- Fund</b> |                          |
|----------------------------------|--|------------------------|-----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                       | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>     | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.69%  | 1.64%                  | 1.30%                       | 1.25%                    |
| Turnover Ratio                   | 37.82%                                       | 42.50%                 | 0.68%                       | 0.94%                    |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 1 Fund invests S\$3.58 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 1, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$6,542.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection 2 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                         | As at 31 Dec 2021 |             |
|-------------------------------------|-------------------|-------------|
|                                     | % of NAV          | MV S\$ mil  |
| HSBC Portfolios - World Selection 2 | 100.00            | 0.43        |
| <b>Total</b>                        | <b>100.00</b>     | <b>0.43</b> |

#### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$     |
|--------------|---------|
| Subscription | 128,194 |
| Redemption   | -       |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 2)

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| HSBC GIF Global Govt Bd ZQ1               | 19.52             | 214.48     |
| HSBC FTSE All-World Index Instl Acc       | 15.62             | 171.60     |
| HSBC Multi Factor Worldwide Equity ETF    | 7.41              | 81.46      |
| HSBC GIF Global RE Eq ZQ1                 | 4.11              | 45.12      |
| HSBC GIF Global IG Sec Credit Bd ZC       | 4.11              | 45.12      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 3.72              | 40.87      |
| HSBC S&P 500 UCITS ETF                    | 2.95              | 32.39      |
| HSBC MSCI Canada UCITS ETF                | 2.32              | 25.48      |
| HSBC GIF Global EM Local Dbt ZQ1          | 2.22              | 24.39      |
| HSBC GIF Multi-Asset Style Factors ZC     | 2.13              | 23.40      |

#### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| HSBC GIF Global Govt BD ZQ1            | 16.41             | 128.23     |
| HSBC FTSE All-World Index Instl Ac     | 14.63             | 114.32     |
| HSBC US Dollar Liquidity Y             | 6.85              | 53.53      |
| HSBC Multi Factor Worldwide Equity ETF | 6.46              | 50.48      |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 6.01              | 46.96      |
| HGIF Global Asset Backed Bond ZC       | 4.92              | 38.44      |
| HGIF GSD Bond ZQ                       | 4.84              | 37.82      |
| HSBC GIF Global EM Local DBT ZQ1       | 4.82              | 37.66      |
| HSBC GIF Global RE EQ ZQ1              | 3.65              | 28.52      |
| HGIF GLBL I L BD ZQ                    | 2.45              | 19.14      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.69%             |
| Market value (S\$)                | 18,570,027        |
| Realised Gains / (Losses) (S\$)   | (21,778,576)      |
| Unrealised Gains / (Losses) (S\$) | 111,209           |

### VI Borrowings of Net Asset Value

Nil.

As at 31 Dec 2021

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 2 Fund</b> |                        | <b>Underlying Sub- Fund</b> |                          |
|----------------------------------|--|------------------------|-----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                       | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>     | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.79%  | 1.77%                  | 1.36%                       | 1.34%                    |
| Turnover Ratio                   | 1.77%  | 27.27%                 | 0.48%                       | 0.94%                    |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 2 for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 2 Fund invests S\$0.43 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 2, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$571.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection 3 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                         | As at 30 Dec 2021 |              |
|-------------------------------------|-------------------|--------------|
|                                     | % of NAV          | MV S\$ mil   |
| HSBC Portfolios - World Selection 3 | 100.00            | 16.85        |
| <b>Total</b>                        | <b>100.00</b>     | <b>16.85</b> |

#### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 2,135,713   |
| Redemption   | (1,908,430) |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 3)

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| HSBC FTSE All-World Index Instl Acc       | 14.89             | 243.69     |
| HSBC Multi Factor Worldwide Equity ETF    | 11.65             | 190.69     |
| HSBC GIF Global Govt Bd ZQ1               | 10.03             | 164.17     |
| HSBC GIF Global RE Eq ZQ1                 | 6.31              | 103.28     |
| HSBC American Index Institutional Acc     | 5.96              | 97.53      |
| HSBC S&P 500 UCITS ETF                    | 5.73              | 93.84      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 4.05              | 66.30      |
| HSBC GIF Global EM Local Dbt ZQ1          | 3.40              | 55.67      |
| HSBC MSCI Emerg Mkts ETF                  | 3.00              | 49.13      |
| HSBC GIF-ASIA HI YL BD-ZQ1 U              | 2.43              | 39.80      |

### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| HSBC FTSE All World Index Instl Acc    | 16.77             | 202.62     |
| HSBC Multi Factor Worldwide Equity ETF | 10.25             | 123.84     |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 8.34              | 100.76     |
| HSBC American Index Institutional Acc  | 6.89              | 83.25      |
| HSBC GIF Global EM Local DBT ZQ1       | 6.61              | 79.86      |
| HSBC GIF Global RE EQ ZQ1              | 6.06              | 73.22      |
| HSBC US Dollar Liquidity Y             | 4.45              | 53.77      |
| HSBC GIF Global Govt BD ZQ1            | 3.95              | 47.72      |
| HSBC GIF Global EM BD ZQ1              | 2.75              | 33.23      |
| HSBC GIF Global Hi Yld BD ZQ1          | 2.74              | 33.10      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.36%             |
| Market value (S\$)                | 22,282,499        |
| Realised Gains / (Losses) (S\$)   | (37,677,335)      |
| Unrealised Gains / (Losses) (S\$) | 1,124,137         |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance World Selection 3 Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|---------------------------------------|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                       | As at 31-Dec-20 | As at 30-Sep-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.76%                                 | 1.73%           | 1.47%               | 1.44%             |
| Turnover Ratio            |                                       |                 | As at 31-Dec-21     | As at 31-Dec-20   |
|                           | 25.15%                                | 21.54%          | 0.50%               | 0.73%             |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

#### II Related-Party Transactions

HSBC Insurance World Selection 3 Fund invests S\$16.85 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 3, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$29,734.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

#### E) Financial Statements

Refer to page 167 onwards.

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## HSBC Insurance World Selection 4 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                         | As at 31 Dec 2021 |             |
|-------------------------------------|-------------------|-------------|
|                                     | % of NAV          | MV S\$ mil  |
| HSBC Portfolios - World Selection 4 | 100.00            | 2.62        |
| <b>Total</b>                        | <b>100.00</b>     | <b>2.62</b> |

#### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$     |
|--------------|---------|
| Subscription | 538,026 |
| Redemption   | -       |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 4)

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| HSBC Multi Factor Worldwide Equity ETF    | 15.39             | 172.50     |
| HSBC FTSE All-World Index Instl Acc       | 11.46             | 128.41     |
| Vanguard FTSE All-World UCITS ETF         | 11.43             | 128.12     |
| HSBC S&P 500 UCITS ETF                    | 9.28              | 104.00     |
| HSBC GIF Global RE Eq ZQ1                 | 8.61              | 96.53      |
| HSBC American Index Institutional Acc     | 7.02              | 78.64      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 4.95              | 55.53      |
| HSBC MSCI Emerg Mkts ETF                  | 4.27              | 47.82      |
| HSBC GIF Global EM Local Dbt ZQ1          | 3.33              | 37.32      |
| HSBC MSCI Canada UCITS ETF                | 2.81              | 31.55      |

### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| HSBC Multi Factor Worldwide Equity ETF | 13.68             | 141.96     |
| HSBC FTSE All-World Index Instl Acc    | 13.27             | 137.71     |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 12.17             | 126.29     |
| Vanguard FTSE All-World UCITS ETF      | 10.69             | 110.94     |
| HSBC GIF Global RE EQ ZQ1              | 7.90              | 81.98      |
| HSBC American Index Institutional Acc  | 7.73              | 80.22      |
| HSBC GIF Global EM Local DBT ZQ1       | 5.46              | 56.66      |
| HSBC US Dollar Liquidity Y             | 4.60              | 47.74      |
| HSBC MSCI Emerg Mkts ETF               | 4.00              | 41.51      |
| HSBC European Index Institutional Acc  | 3.59              | 37.26      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.78%             |
| Market value (S\$)                | 20,600,561        |
| Realised Gains / (Losses) (S\$)   | (52,603,237)      |
| Unrealised Gains / (Losses) (S\$) | 2,868,922         |

### VI Borrowings of Net Asset Value

Nil.



**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 4 Fund</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|--|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                       | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.86%  | 1.85%                  | 1.53%                      | 1.52%                    |
| Turnover Ratio                   |  |                        | <b>As at 31-Dec-21</b>     | <b>As at 31-Dec-20</b>   |
|                                  | 3.76%  | 2.51%                  | 0.35%                      | 0.69%                    |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 4 for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 4 Fund invests S\$2.62 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 4, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to S\$6,997.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection 5 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                         | As at 31 Dec 2021 |              |
|-------------------------------------|-------------------|--------------|
|                                     | % of NAV          | MV S\$ mil   |
| HSBC Portfolios - World Selection 5 | 100.00            | 21.45        |
| Other assets                        | 0.23              | 0.05         |
| Other liabilities                   | (0.23)            | (0.05)       |
| <b>Total</b>                        | <b>100.00</b>     | <b>21.45</b> |

#### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | S\$         |
|--------------|-------------|
| Subscription | 1,776,097   |
| Redemption   | (2,040,540) |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 5)

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV S\$ mil |
| HSBC S&P 500 UCITS ETF                    | 16.73             | 90.69      |
| HSBC Multi Factor Worldwide Equity ETF    | 16.66             | 90.31      |
| HSBC FTSE All-World Index Instl Acc       | 12.27             | 66.51      |
| HSBC GIF Global RE Eq ZQ1                 | 9.61              | 52.09      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 5.62              | 30.46      |
| HSBC MSCI Emerg Mkts ETF                  | 5.56              | 30.14      |
| iShares Core S&P 500 ETF USD Acc          | 3.97              | 21.52      |
| HSBC European Index Institutional Acc     | 3.62              | 19.62      |
| HSBC American Index Institutional Acc     | 3.42              | 18.54      |
| HSBC MSCI Canada UCITS ETF                | 3.08              | 16.70      |

#### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV S\$ mil |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 16.70             | 78.12      |
| HSBC Multi Factor Worldwide Equity ETF | 14.41             | 67.40      |
| HSBC FTSE All-World Index Instl Acc    | 13.52             | 63.23      |
| HSBC GIF Global RE EQ ZQ1              | 8.63              | 40.36      |
| iShares Core S&P 500 ETF USD Acc       | 8.04              | 37.60      |
| HSBC MSCI Emerg Mkts ETF               | 5.87              | 27.45      |
| HSBC European Index Institutional Acc  | 5.60              | 26.19      |
| HSBC US Dollar Liquidity Y             | 4.51              | 21.09      |
| HSBC American Index Institutional Acc  | 3.07              | 14.36      |
| HSBC Japan Index Instl Acc             | 2.76              | 12.91      |

#### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.48%             |
| Market value (S\$)                | 8,034,287         |
| Realised Gains / (Losses) (S\$)   | (25,208,143)      |
| Unrealised Gains / (Losses) (S\$) | 1,780,884         |

#### VI Borrowings of Net Asset Value

Nil.

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance World Selection 5 Fund |                 | Underlying Sub-Fund |                   |
|---------------------------|---------------------------------------|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                       | As at 31-Dec-20 | As at 30-Sep-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.82%                                 | 1.81%           | 1.51%               | 1.52%             |
| Turnover Ratio            | 14.44%                                | 19.76%          | 0.36%               | 0.83%             |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

#### II Related-Party Transactions

HSBC Insurance World Selection 5 Fund invests S\$21.45 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 5, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2021 to 31 December 2021 amounts to S\$41,173.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

#### E) Financial Statements

Refer to page 167 onwards.

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## HSBC Insurance Europe Dynamic Equity Fund (USD)

### Fund Objective

HSBC Insurance Europe Dynamic Equity Fund (USD) (the "ILP Sub-Fund") seeks to maximise long-term capital growth by investing primarily in an aggressively managed portfolio of European companies.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds - Europe Dynamic Fund (the "Underlying Sub-Fund").

## FUND FACTS

|                           |  |
|---------------------------|--|
| Underlying Sub-Fund       | JPMorgan Funds – Europe Dynamic Fund (USD)     |
| Fund Manager              | JPMorgan Asset Management (Singapore) Limited. |
| Launch Date               | 18 Jan 2016                                    |
| CPFIS/SRS                 | Cash   |
| CPFIS Risk Classification | N.A.   |

As at 31 December 2021

|                |     |          |
|----------------|-----|----------|
| Offer Price    | USD | 1.57774  |
| Bid Price      | USD | 1.57774  |
| Fund Size      | USD | 3.98 mil |
| Units in Issue |     | 2.52 mil |

### Investment and Market Review ^

An overweight position in Laboratorios Farmaceutico, the Spanish pharmaceutical company, contributed to relative returns over Q4. The company manufactures the Moderna Covid-19 vaccine, which has strong demand as Covid-19 infections continue to rise across Europe and there is an increased drive for booster vaccinations.

An overweight position in Marks & Spencer Group, the UK-listed retailer, contributed to relative returns. The company reported strong Q3 trading activity, which drove earnings upgrades. Adding to this optimism was speculation of potential bids from private equity groups for the company.

An overweight position in Eckert & Ziegler, the German provider of nuclear isotopes for medical uses, underperformed despite strong operational momentum as investors took profits after a period of strong performance.

An overweight position in Petershill Partners, the UK alternative asset manager, detracted. The company had its IPO in September and the shares have since drifted lower despite no updates on trading performance.

### Market Outlook and Investment Strategy ^

We are currently most overweight in banks and consumer durables & apparel. The largest underweights are in household & personal products and materials.

The largest increase at the sector level was in energy. We added TotalEnergies to the portfolio during Q4. Supply discipline, along with strong demand, is providing a supportive backdrop for oil prices leading to mark-to-market upgrades for the energy sector, which is also benefitting from the gas upcycle. The company appears well placed versus its peers with regards to its decarbonisation strategy and attractive dividend yield, supplemented by share buybacks. With the stock trading on a single-digit P/E we see it as an attractive opportunity. The largest decrease at the sector level was in capital goods. We exited our position in Finnish industrials company Cargotec. The company reported weak quarterly numbers due to component shortages and supply chain issues. While these issues are likely temporary, uncertainty around the merger with Konecranes due to competition concerns from regulators could impact the potential accretion from a tie-up, and diminished the attractiveness of the investment.

Earnings growth should remain strong in 2022, but could slow as profit margins come under pressure from higher wages, rising commodity prices and increasing corporate taxes. Nevertheless, fixing of supply chain issues, a shift in spending from goods back to services, and strong household balance sheets and savings rates mean developed-world consumers are in better shape to support the economic expansion.

As central banks view some of the recent drivers of higher inflation as "sticky" and the progress towards full employment seems encouraging, we could expect a policy normalisation cycle to start in the near term. The outlook remains positive and strong economic growth, accompanied by a relatively accommodative monetary policy, should provide support to equity markets.

^ Source: JPMorgan Asset Management (Singapore) Limited

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---|-------|-------|--------|--------|--------|---------|------------------|
|   | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Europe Dynamic Equity Fund (USD) | 6.91  | 6.66  | 24.02  | 57.27  | 50.90  | N.A.    | 57.77            |
| Benchmark*                                      | 7.01  | 7.81  | 22.967 | 56.63  | 65.29  | N.A.    | 77.10            |

### II Average Annual Compounded Returns

|   | 3-Year | 5-Year | 10-Year | Since Inception^ |
|---|--------|--------|---------|------------------|
|   | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Europe Dynamic Equity Fund (USD) | 16.29  | 8.58   | N.A.    | 9.28             |
| Benchmark*                                      | 16.13  | 10.57  | N.A.    | 11.76            |

\* Benchmark details:

MSCI Europe Index (Total Return Net) Hedged to USD

^Inception Date: 11 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                                | As at 31 Dec 2021<br>% of NAV | MV USD mil  |
|--|-------------------------------|-------------|
| JPMorgan Funds – Europe Dynamic Fund (USD) | 100.00                        | 3.98        |
| <b>Total</b>                               | <b>100.00</b>                 | <b>3.98</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | USD       |
|--------------|-----------|
| Subscription | 223,784   |
| Redemption   | (607,898) |

## C) Underlying Fund Disclosure (JPMorgan Funds – Europe Dynamic Fund (USD))

### I Allocation by Country

| Country        | As at 31 Dec 2021<br>% of NAV | MV USD mil    |
|----------------|-------------------------------|---------------|
| United Kingdom | 19.30                         | 174.95        |
| France         | 17.80                         | 161.35        |
| Switzerland    | 17.10                         | 155.00        |
| Germany        | 15.70                         | 142.31        |
| Netherlands    | 7.70                          | 69.80         |
| Denmark        | 5.30                          | 48.04         |
| Italy          | 3.30                          | 29.91         |
| Spain          | 2.50                          | 22.66         |
| Others*        | 10.90                         | 98.80         |
| Cash           | 0.40                          | 3.63          |
| <b>Total</b>   | <b>100.00</b>                 | <b>906.45</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                                 | As at 31 Dec 2021<br>% of NAV | MV USD mil    |
|--|-------------------------------|---------------|
| Capital Goods                            | 12.10                         | 109.68        |
| Pharmaceuticals Biotechnology & Life Sci | 10.30                         | 93.36         |
| Banks                                    | 10.30                         | 93.36         |
| Consumer Durables & Apparel              | 8.30                          | 75.24         |
| Insurance                                | 6.70                          | 60.73         |
| Food Beverage & Tobacco                  | 6.30                          | 57.11         |
| Energy                                   | 5.90                          | 53.48         |
| Materials                                | 5.00                          | 45.32         |
| Others*                                  | 34.70                         | 314.54        |
| Cash                                     | 0.40                          | 3.63          |
| <b>Total</b>                             | <b>100.00</b>                 | <b>906.45</b> |

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|                   | As at 31 Dec 2021 |            |
|-------------------|-------------------|------------|
|                   | % of NAV          | MV USD mil |
| Nestle            | 4.90              | 44.42      |
| Roche             | 4.00              | 36.26      |
| Novo Nordisk      | 3.20              | 29.01      |
| LVMH              | 2.90              | 26.29      |
| Koninklijke Ahold | 2.50              | 22.66      |
| TotalEnergies     | 2.40              | 21.75      |
| BP                | 2.20              | 19.94      |
| Allianz           | 2.20              | 19.94      |
| Novartis          | 1.90              | 17.22      |
| BNP Paribas       | 1.90              | 17.22      |

### Top Ten Holdings of Underlying Sub-Fund

|                    | As at 31 Dec 2020 |            |
|--------------------|-------------------|------------|
|                    | % of NAV          | MV USD mil |
| Nestle             | 3.20              | 24.44      |
| Novartis           | 2.70              | 20.62      |
| Roche              | 2.40              | 18.33      |
| Deutsche Telekom   | 2.20              | 16.8       |
| ASM International  | 2.00              | 15.28      |
| Siemens            | 1.90              | 14.51      |
| BNP Paribas        | 1.80              | 13.75      |
| Enel               | 1.80              | 13.75      |
| Orsted             | 1.70              | 12.99      |
| Schneider Electric | 1.70              | 12.99      |

### V Exposure to Derivatives

|                                   | As at 30 Jun 2021* |
|-----------------------------------|--------------------|
| % of NAV                          | 0.40%              |
| Market value (USD)                | 3,529,220          |
| Realised Gains / (Losses) (USD)   | -                  |
| Unrealised Gains / (Losses) (USD) | 3,529,220          |

\*Based on unaudited figures as at 30 Jun 2021, as the audited figures as at 31 Dec 2021 are not available.

### VI Borrowings of Net Asset Value

Nil.

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Europe Dynamic Equity Fund (USD) |                 | Underlying Sub-Fund |                   |
|---------------------------|---|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                                 | As at 31-Dec-20 | As at 30-Jun-21*    | As at 30-Jun-20** |
| Expense Ratio             | 1.82%   | 1.78%           | 1.78%               | 1.74%             |
| Turnover Ratio            | 15.99%  | 12.16%          | 101.76%             | 168.77            |

\*Based on unaudited figure as at 30 Jun 2021 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund (USD) for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Jun 2020 for comparative purposes.

### II Related-Party Transactions

Nil.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### **IV Soft Dollar Commission Arrangement**

The Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

#### **E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Global Emerging Markets Bond Fund (USD)

### Fund Objective

HSBC Insurance Global Emerging Markets Bond Fund (USD) (the "ILP Sub -Fund") seeks to maximise total return, consistent with prudent investment management. The ILP Sub-Fund is a diverse portfolio consisting primarily of fixed income securities from issuers in, or economically tied to, emerging or developing countries. Assets may be denominated in US dollars or local currencies.

ILP Sub -Fund investments are made by way of a feeder fund through PIMCO Funds: Global Investors Series plc – Emerging Markets Bond Fund (the "Underlying Sub-Fund").

### Investment and Market Review ^

Equities broadly gained over the quarter despite volatility related to elevated inflation risks, rising COVID-19 Omicron variant cases, and shifting

central bank expectations. The latter contributed to rising front-end interest rates, which in turn spurred yield curve flattening. The global economic recovery continued, though momentum slowed alongside the spread of the Omicron variant. Within economies, growth remained varied across sectors given differing impacts of rising COVID cases, supply chain disruptions, and higher energy prices.

Elevated inflation remained a key theme globally throughout the quarter. In the U.S., Consumer Price Index (CPI) reached almost 7% year-over-year in November, its highest level in 39 years. In response to inflationary pressure, Central banks shifted policy focus toward normalization. The Fed increased the pace of tapering its monthly asset purchases – likely marking an earlier end to asset purchases in 2022 – and adjusted its "dot plot" to reflect median expectations for three hikes in 2022. Meanwhile, the BoE hiked interest rates by 15bps to 0.25% in December.

Developed market yield curves broadly flattened as central banks adopted more hawkish stances. In the U.S., long-dated yields fell while front-end yields rose meaningfully. Credit spreads widened, while global equities rallied – the S&P was up 11% – bolstered by strong corporate earnings, as well as some indications of less severe disease and hospitalization from Omicron. Meanwhile, sustained supply chain issues and depleted energy inventories, coupled with strong energy demand in Asia drove up energy prices.

### Market Outlook and Investment Strategy ^

PIMCO remains constructive on EM beta. The post COVID downgrade cycle is largely over and most economies are growing above trend with policymakers focused on repairing balance sheets and fundamentals. Trend growth is lower than it was pre GFC but still well above developed markets.

Emerging markets should continue to be supported by a variety of macro push factors (such as global liquidity, higher commodity prices, vaccine deployment, and continued return of overseas tourism) as well as pull factors (such as attractive valuations and high real yield differentials between developing and developed economies).

However, the turn in the global central bank monetary cycle towards removing accommodation, which has been picking up steam, will likely lead to higher U.S. Treasury yields and a stronger dollar both headwinds for EM local assets but ones that have been largely priced in given developments in Q4. That being said, markets are watching closely for more clarity on the path of the Fed's tightening cycle.

Other than these global macro uncertainties, we will be watching a number of non systemic, country level uncertainties (e.g. elections in Brazil, the Ukraine/Russia conflict, heterodox policymaking in Turkey, etc.).

^ Source: PIMCO Global Advisors (Ireland) Limited

## FUND FACTS

Underlying Sub-Fund PIMCO Emerging Markets Bond Fund (USD)

Fund Manager PIMCO Global Advisors (Ireland) Limited

Launch Date 28 January 2013

CPFIS/SRS Cash

CPFIS Risk N.A.

Classification

As at 31 December 2021

Offer Price USD 1.11839

Bid Price USD 1.11839

Fund Size USD 1.41 mil

Units in Issue 1.26 mil

Note: With effect from 20 July 2020, the Underlying Sub-Fund of HSBC Insurance Global Emerging Markets Bond Fund (USD), HSBC Global Investment Funds – Global Emerging Markets Bond (USD) was replaced with PIMCO Emerging Markets Bond Fund (USD).



## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Global Emerging<br>Markets Bond Fund (USD) | (1.33)       | (2.12)       | (3.24)        | 11.78         | 10.63         | N.A.           | 11.84                      |
| Benchmark*  | 0.02         | (0.52)       | (1.51)        | 19.32         | 24.42         | N.A.           | 26.16                      |

### II Average Annual Compounded Returns

|  | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Global Emerging Markets Bond Fund (USD) | 3.78          | 2.04          | N.A.           | 2.21                       |
| Benchmark*   | 6.06          | 4.47          | N.A.           | 4.65                       |

\* Benchmark details:

JP Morgan EMBI Global

^Inception Date: 21 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                            | As at 31 Dec 2021 |             |
|--|-------------------|-------------|
|  | % of NAV          | MV USD mil  |
| PIMCO Emerging Markets Bond Fund (USD) | 100.00            | 1.41        |
| <b>Total</b>                           | <b>100.00</b>     | <b>1.41</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | USD       |
|--------------|-----------|
| Subscription | 125,155   |
| Redemption   | (193,310) |

## C) Underlying Sub-Fund Disclosure (PIMCO Emerging Markets Bond Fund (USD))

### I Allocation by Country

| Country       | As at 31 Dec 2021 |                 |
|---------------|-------------------|-----------------|
|               | % of NAV          | MV USD mil      |
| United States | 17.27             | 813.35          |
| Ireland       | 9.83              | 462.68          |
| Mexico        | 8.18              | 385.09          |
| Brazil        | 7.99              | 376.17          |
| Indonesia     | 7.77              | 365.86          |
| Saudi Arabia  | 4.84              | 227.80          |
| Turkey        | 4.65              | 218.80          |
| Peru          | 4.25              | 200.33          |
| Egypt         | 4.09              | 192.50          |
| Others*       | 31.14             | 1,466.22        |
| <b>Total</b>  | <b>100.00</b>     | <b>4,708.79</b> |

\*Includes other countries

### II Allocation by Industry

| Industry                               | As at 31 Dec 2021 |                 |
|--|-------------------|-----------------|
|  | % of NAV          | MV USD mil      |
| EM External Sovereigns                 | 51.51             | 2,425.39        |
| EM External Quasi-Sovereigns           | 24.90             | 1,172.25        |
| EM External Corporates                 | 11.74             | 552.68          |
| EM External Short Duration Instruments | 3.47              | 163.56          |
| EM Local Sovereigns                    | 2.91              | 137.04          |
| EM Local Corporates                    | 1.01              | 47.78           |
| Others                                 | 4.46              | 210.08          |
| <b>Total</b>                           | <b>100.00</b>     | <b>4,708.79</b> |

### III Allocation of Debt Securities by Credit Ratings

|              | As at 31 Dec 2021 |                 |
|--------------|-------------------|-----------------|
|              | % of NAV          | MV USD mil      |
| AAA          | 10.74             | 505.58          |
| AA           | 9.29              | 437.49          |
| A            | 9.16              | 431.16          |
| BBB          | 28.98             | 1,364.48        |
| BB           | 21.89             | 1,030.68        |
| B            | 15.87             | 747.35          |
| CCC          | 4.08              | 192.05          |
| <b>Total</b> | <b>100.01</b>     | <b>4,708.79</b> |

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 30 Sep 2021 <sup>†</sup> |            |
|---|--------------------------------|------------|
|   | % of NAV                       | MV USD mil |
| South Africa (Rep) Bd Ser R186          | 1.76                           | 82.96      |
| Pemex Sr Unsec                          | 1.24                           | 58.56      |
| Republic Of Turkey Sr Unsec             | 1.04                           | 48.80      |
| Hazine Mustesarilgi Varl Sr Unsec Regs  | 1.04                           | 48.80      |
| Mexico Govt (Ums) Gbl Sr Nt             | 0.93                           | 43.92      |
| Pemex Sr Unsec                          | 0.93                           | 43.92      |
| Southern Gas Corridor Gov Gtd Unsec Reg | 0.83                           | 39.04      |
| Saudi Arabian Oil Co Sr Unsec Regs      | 0.83                           | 39.04      |
| Republic Of Argentina                   | 0.83                           | 39.04      |
| Pemex Sr Unsec                          | 0.83                           | 39.04      |

<sup>†</sup> Based on unaudited figures as at 30 Sep 2021 as the audited figures as at 31 Dec 2021 are not available.

### Top Ten Holdings of Underlying Sub-Fund

|   | As at 30 Sep 2020 <sup>†^</sup> |            |
|---|---------------------------------|------------|
|   | % of NAV                        | MV USD mil |
| Saudi International Bond Regs           | 1.22                            | 64.1       |
| Pemex Sr Unsec Regs **144A Exchange**   | 0.98                            | 51.27      |
| Russia Foreign Bond Sr Unsec Regs       | 0.81                            | 42.73      |
| Republic Of Argentina                   | 0.81                            | 42.73      |
| Mexico Govt (Ums) Gbl Sr Nt             | 0.73                            | 38.45      |
| Republic Of Turkey Sr Unsec             | 0.73                            | 38.45      |
| Pemex Sr Unsec Regs **144A Exchange**   | 0.65                            | 34.18      |
| Pemex Sr Unsec Regs **144A Exchange**   | 0.65                            | 34.18      |
| Republic Of Argentina                   | 0.57                            | 29.91      |
| Southern Gas Corridor Gov Gtd Unsec Reg | 0.57                            | 29.91      |

<sup>†</sup> Based on unaudited figures as at 30 Sep 2020 as the unaudited figures as at 31 Dec 2020 are not available.

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 19.30%            |
| Market value (USD)                | 908,796,240       |
| Realised Gains / (Losses) (USD)   | -                 |
| Unrealised Gains / (Losses) (USD) | -                 |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

**D) Other Disclosure Items**

| <b>I) Expense/Turnover Ratios</b>  | <b>HSBC Insurance Global<br/>Emerging Markets Bond Fund<br/>(USD)</b> |                        | <b>Underlying Sub-Fund<sup>^</sup></b> |                                    |
|--|---|------------------------|--|------------------------------------|
|  | <b>As at 31-Dec-21</b>  | <b>As at 31-Dec-20</b> | <b>As at 30-Jun-21*</b>                | <b>As at 30-Jun-20***</b>          |
| Expense Ratio  | 1.69%   | 1.69%                  | 1.69%                                  | 1.64%                              |
|  |   |                        | <b>As at 31-Dec-20**</b>               | <b>As at 31-Dec-19<sup>∞</sup></b> |
| Turnover Ratio   | 15.60%  | 101.21%                | 110.00%                                | 66.00%                             |
| *Based on unaudited figure as at 30 Jun 2021 as the expense ratio of PIMCO Emerging Markets Bond Fund Acc USD share class for the financial year ended 31 Dec 2021 is not available.   |   |                        |  |                                    |
| **Based on unaudited figure as at 31 Dec 2020 as the expense ratio of PIMCO Emerging Markets Bond Fund Acc USD share class for the financial year ended 31 Dec 2021 is not available.  |   |                        |  |                                    |
| ***Based on unaudited figure as at 30 Jun 2020 as the expense ratio of HSBC GIF Global Emerging Markets Bond Fund for the financial year ended 31 Dec 2020 is not available.           |   |                        |  |                                    |
| <sup>∞</sup> Based on unaudited figure as at 31 Dec 2019 as the expense ratio of HSBC GIF Global Emerging Markets Bond Fund for the financial year ended 31 Dec 2020 is not available. |   |                        |  |                                    |
| <sup>^</sup> The underlying fund was replaced from HSBC GIF Global Emerging Markets Bond Fund to PIMCO Emerging Markets Bond Fund Acc USD share class with effect from 20 July 2020.   |   |                        |  |                                    |

**II Related-Party Transactions**

N.A.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Global Emerging Markets Equity Fund (USD)

### Fund Objective

HSBC Insurance Global Emerging Markets Equity Fund (USD) (the "ILP Sub-Fund") seeks to provide long - term capital growth by investing primarily in emerging market companies.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds - Emerging Markets Equity Fund ( the "Underlying Sub-Fund").

### Investment and Market Review ^

Global equities rode the tailwinds of strong seasonality to end 2021 on a high. The transition of the Federal Reserve to a more hawkish outlook than the futures market underscored an intensification of risks, which, however, were fended off by still high absolute levels of global growth and seasonal trends, pushing global equities close to all-time highs.

### Market Outlook and Investment Strategy ^

The year has started with a mix of risks and optimism. The Covid Omicron variant has dampened recent sentiment but consumers, labour markets and business activity throughout the world have remained strong on the whole. 2022 is poised to be different to 2021 in a few key ways: the US Federal Reserve will be tightening monetary policy while China is expected to be more accommodative, and this stimulus from China should be supportive of emerging markets. The expectation of sustained higher inflation after this year would affect households, central bank policy and asset markets, which is likely to drive market volatility.

^ Source: JPMorgan Asset Management (Singapore) Limited

## FUND FACTS

|                           |   |
|---------------------------|---|
| Underlying Sub-Fund       | JPMorgan Funds – Emerging Markets Equity Fund (USD) |
| Fund Manager              | JPMorgan Asset Management (Singapore) Limited.      |
| Launch Date               | 17 Oct 2016   |
| CPFIS/SRS                 | Cash  |
| CPFIS Risk Classification | N.A.  |
| As at 31 December 2021    |   |
| Offer Price               | USD 1.83865   |
| Bid Price                 | USD 1.83865   |
| Fund Size                 | USD 5.72 mil  |
| Units in Issue            | 3.11 mil  |

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth  | 6-Mth   | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|---------|--------|--------|--------|---------|------------------|
|  | (%)    | (%)     | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Emerging Markets Equity Fund (USD) | (5.06) | (12.92) | (9.94) | 54.65  | 79.05  | N.A.    | 83.87            |
| Benchmark*   | (1.31) | (9.30)  | (2.54) | 36.54  | 60.14  | N.A.    | 65.11            |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|--------|---------|------------------|
|  | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance Global Emerging Markets Equity Fund (USD) | 15.64  | 12.36  | N.A.    | 12.60            |
| Benchmark*   | 10.94  | 9.87   | N.A.    | 10.27            |

\* Benchmark details:

MSCI Emerging Markets Index (Total Return Net)

^Inception Date: 14 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class   | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| JPMorgan Funds - Emerging Markets Equity Fund (USD) | 100.00            | 5.72        |
| <b>Total</b>  | <b>100.00</b>     | <b>5.72</b> |

### II Fund Movement

(01 Jul 2021 - 30 Jun 2021)

|              | USD         |
|--------------|-------------|
| Subscription | 837,208     |
| Redemption   | (1,846,484) |

## C) Underlying Fund Disclosure (JPMorgan Funds – Emerging Markets Equity Fund (USD))

### I Allocation by Country

|              | As at 31 Dec 2021 |                  |
|--------------|-------------------|------------------|
| Country      | % of NAV          | MV USD mil       |
| China        | 40.80             | 4,663.71         |
| India        | 18.00             | 2,057.52         |
| Taiwan       | 10.40             | 1,188.79         |
| South Korea  | 6.90              | 788.72           |
| Indonesia    | 3.00              | 342.92           |
| Argentina    | 2.80              | 320.06           |
| Belarus      | 2.80              | 320.06           |
| Singapore    | 1.90              | 217.18           |
| Others*      | 9.90              | 1,131.64         |
| Cash         | 3.50              | 400.07           |
| <b>Total</b> | <b>100.00</b>     | <b>11,430.66</b> |

\*Includes other countries

### II Allocation by Industry

|                        | As at 31 Dec 2021 |                  |
|------------------------|-------------------|------------------|
| Industry               | % of NAV          | MV USD mil       |
| Information Technology | 25.80             | 2,949.11         |
| Financials             | 20.60             | 2,354.72         |
| Consumer Discretionary | 15.70             | 1,794.61         |
| Communication Services | 9.40              | 1,074.48         |
| Consumer Staples       | 7.20              | 823.01           |
| Industrials            | 5.50              | 628.69           |
| Health Care            | 5.10              | 582.96           |
| Materials              | 3.90              | 445.80           |
| Others*                | 3.30              | 377.21           |
| Cash                   | 3.50              | 400.07           |
| <b>Total</b>           | <b>100.00</b>     | <b>11,430.66</b> |

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|                       | As at 31 Dec 2021 |            |
|-----------------------|-------------------|------------|
|                       | % of NAV          | MV USD mil |
| Taiwan Semiconductor  | 7.80              | 891.59     |
| Samsung Electronics   | 5.10              | 582.96     |
| Tencent               | 4.30              | 491.52     |
| HDFC Bank             | 3.30              | 377.21     |
| HDFC                  | 3.00              | 342.92     |
| MercadoLibre          | 2.80              | 320.06     |
| EPAM Systems          | 2.80              | 320.06     |
| Techtronic Industries | 2.80              | 320.06     |
| JD.com                | 2.70              | 308.63     |
| Meituan               | 2.60              | 297.20     |

### Top Ten Holdings of Underlying Sub-Fund

|                      | As at 30 Dec 2020 |            |
|----------------------|-------------------|------------|
|                      | % of NAV          | MV USD mil |
| Samsung Electronics  | 5.20              | 659.85     |
| Taiwan Semiconductor | 5.20              | 659.85     |
| Alibaba              | 4.70              | 596.40     |
| Tencent              | 3.80              | 482.20     |
| HDFC Bank            | 3.50              | 444.13     |
| Sea                  | 3.30              | 418.75     |
| HDFC                 | 3.10              | 393.37     |
| WuXi Biologics       | 2.90              | 367.99     |
| MercadoLibre         | 2.90              | 367.99     |
| Meituan              | 2.80              | 355.30     |

### V Exposure to Derivatives

As at 30 Jun 2021<sup>†</sup>

|                                   |             |
|-----------------------------------|-------------|
| % of NAV                          | (0.06)%     |
| Market value (USD)                | (7,287,269) |
| Realised Gains / (Losses) (USD)   | -           |
| Unrealised Gains / (Losses) (USD) | (7,287,269) |

\*Based on unaudited figures as at 30 Jun 2021 as the audited figures as at 31 Dec 2021 are not available.

### VI Borrowings of Net Asset Value

As at 30 Jun 2021<sup>†</sup>

Nil.

<sup>†</sup> Based on unaudited figures as at 30 Jun 2021 as the audited figures as at 31 Dec 2021 are not available.

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance Global Emerging Markets Equity Fund (USD) |                 | Underlying Sub-Fund |                   |
|---------------------------|--|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21  | As at 31-Dec-20 | As at 30-Jun-21*    | As at 30-Jun-20** |
| Expense Ratio             | 1.76%  | 1.77%           | 1.72%               | 1.73%             |
| Turnover Ratio            | 19.32%   | 6.41%           | 26.01%              | 17.05%            |

\*Based on audited figure as at 30 Jun 2021 as the expense ratio of JPMorgan Funds - Emerging Markets Equity Fund (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on audited figure as at 30 Jun 2020 as the expense ratio of JPMorgan Funds - Emerging Markets Equity Fund (USD) for the financial year ended 31 Dec 2020 is not available.

### II Related-Party Transactions

N.A.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### **IV Soft Dollar Commission Arrangement**

The Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

#### **E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)

### Fund Objective

HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) (the "ILP Sub-Fund") seeks to achieve long-term capital growth. The ILP Sub-Fund pursues opportunistic growth by investing in a global universe of companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes. A combination of "top-down" and "bottom-up" investment processes identifies sustainable investment themes that are broadly consistent with achieving the United Nations Sustainable Development Goals. ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the AB Sustainable Global Thematic Portfolio (the "Underlying Sub-Fund").

### FUND FACTS

|                                  |  |         |     |
|----------------------------------|--|---------|-----|
| Underlying Sub-Fund <sup>1</sup> | AB Sustainable Global Thematic Portfolio (USD) |         |     |
| Fund Manager                     | AllianceBernstein (Luxembourg) S.à r.l.        |         |     |
| Launch Date                      | 17 Oct 2016                                    |         |     |
| CPFIS/SRS                        | Cash   |         |     |
| CPFIS Risk                       | N.A.   |         |     |
| Classification                   |  |         |     |
| As at 31 December 2021           |  |         |     |
| Offer Price                      | USD  | 1.82138 |     |
| Bid Price                        | USD  | 1.82138 |     |
| Fund Size                        | USD  | 5.95    | mil |
| Units in Issue                   |  | 3.27    | mil |

<sup>1</sup>Note: With effect from 7 April 2021, the Underlying Sub-Fund of HSBC Insurance Global Sustainable Equity Portfolio Fund (USD), HSBC Global Investment Funds – Economic Scale Global Equity Fund (USD) was replaced with AB Sustainable Global Thematic Portfolio (USD).

### Investment and Market Review <sup>^</sup>

Growth stocks reasserted their leadership in 2Q21 as global equities ended the period at record highs. The strength of the economic recovery and potential changes to central bank policy will determine whether this was a head fake or a more permanent change in trend. The global economic recovery over the past year has been nothing short of dramatic, due largely to unprecedented fiscal and monetary stimulus and the successful worldwide rollout of COVID-19 vaccines. After falling 4.3% in 2020, real GDP in developed economies is set to expand by 5.3% in 2021. GDP is expected to increase by more than 10% in 2Q21, marking the one-year anniversary of the worst of the global COVID-19 lockdowns. This sharp recovery in economic growth provided the fuel for the outperformance of cyclical value stocks earlier in the year. (Source: Bloomberg Finance). As growth has recovered, though, so too have prices for most goods and services. The risk of sustained higher prices could force central banks to remove the ultra-accommodative policy stances that have helped support economic growth and equity markets throughout the crisis. The risk is perhaps greatest in the US, where the most stimulus was applied and where prices have been rising the fastest. US Fed Chair Jerome Powell has consistently signaled that higher inflation readings would be temporary and that Fed policy would remain supportive of growth, but the June Fed meeting proved to be a hawkish surprise for the market. Chair Powell acknowledged that the recent price increases have been larger than expected and may prove more lasting. Accordingly, Fed officials signaled the possibility of tightening policy sooner than previously thought, which called into question the durability of the recent cyclical rotation trade.

### Market Outlook and Investment Strategy <sup>^</sup>

As we enter the 2H21, investors will increasingly shift their focus to 2022 and beyond. We think it is likely that the post-recovery narrative will shift from historic stimulus, reopening economies and pent-up demand to rising inflation, rising taxes and peaking growth. Rather than trying to time macro shifts, which is historically very difficult to do, we think investors can benefit by focusing on companies associated with our three sustainable investment themes—Climate, Health and Empowerment—which are supported by powerful, long-term secular tailwinds that are less dependent on where we are in the economic cycle. Forecasting short-term twists and turns in the economic cycle with any accuracy or consistency has always been challenging. It has been even tougher to consistently predict how market participants will react—or overreact—to changes in the real economy. One advantage of sustainable investing is that we don't have to call those short-term twists and turns correctly to create value over time. Sustainable themes have obvious longer-term tailwinds, many of which have only strengthened during the COVID-19 crisis.

<sup>^</sup> Source: AllianceBernstein (Luxembourg) S.à r.l.



## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception <sup>^</sup><br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|--|
| HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) | 8.64         | 11.03        | 28.32         | 64.56         | 72.87         | N.A.           | 82.14                                  |
| Benchmark*  | 6.68         | 5.55         | 18.54         | 74.46         | 95.92         | N.A.           | 100.15                                 |

### II Average Annual Compounded Returns

|   | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception <sup>^</sup><br>(%) |
|---|---------------|---------------|----------------|--|
| HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) | 18.06         | 11.57         | N.A.           | 12.32                                  |
| Benchmark*  | 20.38         | 14.40         | N.A.           | 14.61                                  |

\* Benchmark details:

MSCI World Net with effect from 25 October 2017.

Prior to 25 October 2017, the benchmark was HSBC Economic Scale Index World

<sup>^</sup>Inception Date: 3 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                               | As at 31 Dec 2021<br>% of NAV | MV USD mil  |
|---|-------------------------------|-------------|
| AB Sustainable Global Thematic Fund (USD) | 100.00                        | 5.95        |
| <b>Total</b>                              | <b>100.00</b>                 | <b>5.95</b> |

### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | USD         |
|--------------|-------------|
| Subscription | 532,820     |
| Redemption   | (1,206,741) |

## C) Underlying Sub-Fund Disclosure (AB Sustainable Global Thematic Fund (USD))

### I Allocation by Country

| Country       | As at 31 Dec 2021<br>% of NAV | MV USD mil      |
|---------------|-------------------------------|-----------------|
| United States | 59.81                         | 2,856.53        |
| Netherlands   | 6.66                          | 318.24          |
| Switzerland   | 3.62                          | 172.77          |
| India         | 3.47                          | 165.84          |
| Denmark       | 3.34                          | 159.26          |
| Japan         | 3.02                          | 144.36          |
| Germany       | 2.97                          | 142.01          |
| Austria       | 2.39                          | 113.94          |
| France        | 2.07                          | 98.74           |
| Others*       | 12.66                         | 604.53          |
| <b>Total</b>  | <b>100.00</b>                 | <b>4,776.21</b> |

\*Includes other countries and other assets less liabilities

### II Allocation by Industry

| Industry               | As at 31 Dec 2021<br>% of NAV | MV USD mil      |
|------------------------|-------------------------------|-----------------|
| Information Technology | 30.12                         | 1,438.69        |
| Industrials            | 19.57                         | 934.86          |
| Health Care            | 19.05                         | 909.75          |
| Financials             | 12.19                         | 581.97          |
| Consumer Discretionary | 7.61                          | 363.66          |
| Utilities              | 3.92                          | 187.31          |
| Materials              | 2.97                          | 141.79          |
| Consumer Staples       | 1.15                          | 54.88           |
| Others*                | 3.42                          | 163.30          |
| <b>Total</b>           | <b>100.00</b>                 | <b>4,776.21</b> |

\*Includes other assets and liabilities

### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub- Fund

|                                      | As at 31 Dec 2021 |            |
|--------------------------------------|-------------------|------------|
|                                      | % of NAV          | MV USD mil |
| Svb Financial Group                  | 2.84              | 135.82     |
| Waste Management, Inc.               | 2.54              | 121.08     |
| Lumentum Holdings, Inc.              | 2.52              | 120.39     |
| Laboratory Corp. of America Holdings | 2.50              | 119.48     |
| Calix, Inc.                          | 2.45              | 117.14     |
| Danaher Corp.                        | 2.45              | 117.06     |
| Erste Group Bank AG                  | 2.39              | 113.94     |
| MSCI, Inc. - Class A                 | 2.38              | 113.75     |
| Motorola Solutions, Inc.             | 2.34              | 111.75     |
| Rockwell Automation, Inc.            | 2.26              | 108.06     |

### Top Ten Holdings of Underlying Sub- Fund

|                       | As at 31 Dec 2020 |            |
|-----------------------|-------------------|------------|
|                       | % of NAV          | MV USD mil |
| Walmart Inc           | 1.69              | 1.77       |
| Apple Inc             | 1.09              | 1.14       |
| JPMorgan Chase & Co   | 0.83              | 0.87       |
| General Electric Co   | 0.82              | 0.86       |
| Wells Fargo & Co      | 0.82              | 0.86       |
| Volkswagen AG         | 0.81              | 0.85       |
| AT&T Inc              | 0.78              | 0.82       |
| Royal Dutch Shell PLC | 0.76              | 0.80       |
| Bank of America Corp  | 0.74              | 0.78       |
| NTT                   | 0.62              | 0.65       |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.06%             |
| Market value (USD)                | 3,026,500         |
| Realised Gains / (Losses) (USD)   | -                 |
| Unrealised Gains / (Losses) (USD) | 3,026,500         |

### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

### D) Other Disclosure Items

#### I Expense/Turnover Ratios

|                | HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) |                 | Underlying Sub-Fund <sup>^</sup> |                   |
|----------------|---|-----------------|----------------------------------|-------------------|
|                | As at 31-Dec-21   | As at 31-Dec-20 | As at 31-May-21*                 | As at 30-Sep-20** |
| Expense Ratio  | 1.52%   | 0.98%           | 1.92%                            | 0.95%             |
| Turnover Ratio | 120.58%   | 8.77%           | 39.41%                           | 0.19%             |

\*Based on audited figures as at 31 May 2021 as the expense and turnover ratios of AB Sustainable Global Thematic Fund (USD) for the financial year ended 31 Dec 2021 are not available.

\*\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD) for the financial year ended 31 Dec 2020 is not available.

<sup>^</sup>The Underlying Sub-Fund is changed from HSBC Global Investment Funds – Economic Scale Global Equity Fund (USD) to AB Sustainable Global Thematic Portfolio (USD) with effect from 7 April 2021.

### II Related-Party Transactions

N.A.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### **IV Soft Dollar Commission Arrangement**

For the period ended 31 December 2021, the Investment Manager and any Affiliated Sub-Investment Manager, if applicable, does receive and has entered into soft-dollar commissions/arrangements with brokers relating to portfolios of the Underlying Fund that invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received. The soft commission arrangements were entered into on the basis that the execution of transactions on behalf of the Underlying Fund will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates.

Additionally, due to the nature of the investment strategy of certain Portfolios, including where the Investment Manager delegates investment management services to AllianceBernstein Limited and CPH Capital Fondsmæglerselskab A/S, all costs associated with soft commission arrangements may be “unbundled,” if required by applicable law, and borne by the Investment Manager or its Affiliated Sub-Investment Manager with the exception of Arya European Alpha Portfolio, which is charged a separate expense for costs associated with soft commission arrangements. The goods and services received include specialist industry, company and consumer research, portfolio and market analysis and computer software used for the delivery of such services. The nature of the goods and services received is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Underlying Fund and may contribute to an improvement in the Underlying Fund's performance.

For the avoidance of doubt, such goods and services do not include travel, accommodations, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Disclosure of soft commission arrangements will be made in the Financial Reports of the Underlying Fund.

#### **E) Financial Statements**

Refer to page 167 onwards.

**For more information, please contact your financial consultant,  
call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Global Equity Volatility Focused Fund (USD)

### Fund Objective

HSBC Insurance Global Equity Volatility Focused Fund (USD) (the "ILP Sub-Fund") seeks to provide long term total return by investing in a portfolio of equities worldwide.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Global Equity Volatility Focused Fund (the "Underlying Sub-Fund").

## FUND FACTS

|                     |  |          |
|---------------------|--|----------|
| Underlying Sub-Fund | HSBC Global Investment Funds – Global Equity Volatility Focused Fund (USD) |          |
| Fund Manager        | HSBC Global Asset Management (Singapore) Limited                           |          |
| Launch Date         | 17 Oct 2016  |          |
| CPFIS/SRS           | Cash   |          |
| CPFIS Risk          | N.A.   |          |
| Classification      | As at 31 December 2021   |          |
| Offer Price         | USD  | 1.65975  |
| Bid Price           | USD  | 1.65975  |
| Fund Size           | USD  | 0.33 mil |
| Units in Issue      |  | 0.20 mil |

### Investment and Market Review ^

Global equity markets rose in the second half of 2021 but those returns were much more volatile than the first half of the year. The third quarter started strongly with rising markets in July and August as the global economy continued its path to normalisation despite worries about the Delta variant and uncertainty on the US Federal Reserve's timing of monetary policy tightening. However, markets started declining in September in the midst of China's manufacturing activity slowdown and continued supply chain disruptions but also prospects of earlier-than-expected rate hike from the Federal Reserve. After the sharp reversal in September, global markets resumed their upward path of strong positive performance. However, November delivered a negative month before December's performance rounded off a very strong year for Global equity markets. Over the 6-months rolling, the HGIF Global Equity Volatility Focused fund outperformed its market cap weighted index gross of fees. Our style exposure was the main contributor to performance while our industry and stock positioning detracted performance. Overall style performance was strong in the review period with the defensive factors outperforming their cyclical counterparts. Low Risk and Quality were strongly rewarded, especially in Q4 as markets became defensive and volatile following the emergence of a new COVID-19 variant. The more dynamic Industry Momentum factor was flat throughout the period. On the other hand, the pro-cyclical Size and Value factors suffered in this backdrop. Our controlled underweight exposure to risk factor such as Growth also strongly contributed to performance.

### Market Outlook and Investment Strategy ^

HSBC Multi-Factor Defensive strategy follows a systematic investment process that seeks to maximise the fund's risk-adjusted returns while reducing volatility and drawdowns during periods of market turbulence. The strategy strongly benefitted from markets' defensiveness observed in the fourth quarter. With many economies now in the expansion phase of the economic cycle, global growth will slow in the coming quarters amid policy normalisation. Supply-side constraints remain a considerable challenge, with Omicron-related disruptions potentially exacerbating existing supply strains. The recovery is twin-track, with some Emerging Markets facing headwinds from central bank policy tightening and ongoing virus containment measures. Inflation volatility continues in the near-term. But medium-term inflation is likely to remain contained. Upside risks are more apparent in the UK, US and some Emerging markets. The combination of slower growth and higher inflation is a challenge for central banks. But policy normalisation is likely to remain gradual as they prioritise economic recovery. "Fiscal space" remains to counter growth risks.

^ Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception <sup>^</sup><br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|--|
| HSBC Insurance Global Equity<br>Volatility Focused Fund (USD) | 5.98         | 5.61         | 12.54         | 58.01         | 65.98         | N.A.           | 65.98                                  |
| Benchmark*  | 6.74         | 5.61         | 18.79         | 75.72         | 96.04         | N.A.           | 93.55                                  |

### II Average Annual Compounded Returns

|  | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception <sup>^</sup><br>(%) |
|--|---------------|---------------|----------------|--|
| HSBC Insurance Global Equity Volatility Focused Fund (USD) | 16.47         | 10.66         | N.A.           | 10.68                                  |
| Benchmark*   | 20.67         | 14.41         | N.A.           | 14.14                                  |

\*MSCI AC World Net

<sup>^</sup>Inception Date: 4 Jan 2017

## B) Fund Disclosure

### I Allocation by Asset Class

|   | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
| Asset Class   | % of NAV          | MV USD mil  |
| HSBC Global Investment Funds – Global Equity Volatility Focused (USD) | 100.00            | 0.33        |
| <b>Total</b>  | <b>100.00</b>     | <b>0.33</b> |

### II Fund Movement

|              | (01 Jul 2021 – 31 Dec<br>2021)<br>USD |
|--------------|---------------------------------------|
| Subscription | 56,610                                |
| Redemption   | (39,306)                              |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global Equity Volatility Focused (USD))

### I Allocation by Country

|                | As at 31 Dec 2021 |               |
|----------------|-------------------|---------------|
| Country        | % of NAV          | MV USD mil    |
| United States  | 57.77             | 76.43         |
| Japan          | 8.37              | 11.07         |
| Mainland China | 6.60              | 8.73          |
| Switzerland    | 5.17              | 6.84          |
| Australia      | 3.08              | 4.08          |
| Canada         | 2.62              | 3.47          |
| Taiwan         | 2.38              | 3.15          |
| Netherlands    | 2.00              | 2.65          |
| Others*        | 11.68             | 15.45         |
| Cash           | 0.33              | 0.44          |
| <b>Total</b>   | <b>100.00</b>     | <b>132.31</b> |

\*Includes other countries

## II Allocation by Industry

| Industry               | As at 31 Dec 2021 |               |
|------------------------|-------------------|---------------|
|                        | % of NAV          | MV USD mil    |
| Information Technology | 18.53             | 24.52         |
| Health Care            | 15.58             | 20.61         |
| Industrials            | 13.94             | 18.44         |
| Consumer Staples       | 11.55             | 15.28         |
| Communication Services | 9.83              | 13.01         |
| Financials             | 9.32              | 12.33         |
| Consumer Discretionary | 8.01              | 10.60         |
| Utilities              | 6.34              | 8.39          |
| Materials              | 3.80              | 5.03          |
| Energy                 | 2.37              | 3.14          |
| Real Estate            | 0.40              | 0.53          |
| Cash                   | 0.33              | 0.44          |
| <b>Total</b>           | <b>100.00</b>     | <b>132.31</b> |

## III Allocation of Debt Securities by Credit Ratings

N.A.

As at 31 Dec 2021

## IV Top Ten Holdings of Underlying Fund

|                              | As at 31 Dec 2021 |            |
|------------------------------|-------------------|------------|
|                              | % of NAV          | MV USD mil |
| Microsoft Corp               | 3.55              | 4.70       |
| Apple Inc                    | 3.23              | 4.27       |
| Alphabet Inc                 | 1.56              | 2.06       |
| Roche Holding AG             | 1.32              | 1.75       |
| Amazon.com Inc               | 1.30              | 1.72       |
| Costco Wholesale Corp        | 1.29              | 1.71       |
| Thermo Fisher Scientific Inc | 1.28              | 1.69       |
| Intel Corp                   | 1.17              | 1.55       |
| Chevron Corp                 | 1.15              | 1.52       |
| Verizon Communications Inc   | 1.11              | 1.47       |

## Top Ten Holdings of Underlying Fund

|                               | As at 31 Dec 2020 |            |
|-------------------------------|-------------------|------------|
|                               | % of NAV          | MV USD mil |
| Apple Inc                     | 3.43              | 4.90       |
| Walt Disney Co/The            | 3.12              | 4.47       |
| Infineon Technologies AG      | 2.93              | 4.20       |
| Capgemini SE                  | 2.66              | 3.82       |
| EDP - Energias de Portugal SA | 2.56              | 3.67       |
| Ferguson PLC                  | 2.56              | 3.67       |
| Accenture PLC                 | 2.50              | 3.59       |
| IQVIA Holdings Inc            | 2.48              | 3.56       |
| Microsoft Corp                | 2.44              | 3.50       |
| Home Depot Inc/The            | 2.40              | 3.44       |

## V Exposure to Derivatives

| % of NAV                          | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
|                                   |                   |
| Market value (USD)                | 0.13%             |
| Realised Gains / (Losses) (USD)   | 169,606           |
| Unrealised Gains / (Losses) (USD) | (617,426)         |
|                                   | 250,876           |

## VI Borrowings of Net Asset Value

Nil.

As at 31 Dec 2021

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Global Equity Volatility Focused Fund (USD)</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|---|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>  | <b>As at 31-Dec-20</b> | <b>As at 31-Mar-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.89%   | 1.88%                  | 1.85%                      | 1.85%                    |
|                                  |   |                        | <b>As at 31-Dec-21</b>     | <b>As at 31-Dec-20</b>   |
| Turnover Ratio                   | 34.67%  | 52.11%                 | 1.29%                      | 0.55%                    |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 31 Dec 2021 is not available.

\*\* Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

HSBC Insurance Global Equity Volatility Focused Fund (USD) invests USD 0.33 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Equity Volatility Focused (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to USD 891.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167.

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## HSBC Insurance Global High Income Bond Fund (USD)

### Fund Objective

HSBC Insurance Global High Income Bond Fund (USD) (the "ILP Sub-Fund") seeks to invest for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the Underlying Sub - Fund's net assets.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Global High Income Bond (the "Underlying Sub-Fund").

## FUND FACTS

|                           |   |         |     |
|---------------------------|---|---------|-----|
| Underlying Sub-Fund       | HSBC Global Investment Funds – Global High Income Bond Fund (USD) |         |     |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited                  |         |     |
| Launch Date               | 18 January 2016   |         |     |
| CPFIS/SRS                 | Cash  |         |     |
| CPFIS Risk Classification | N.A.  |         |     |
| As at 31 December 2021    |   |         |     |
| Offer Price               | USD   | 1.21452 |     |
| Bid Price                 | USD   | 1.21452 |     |
| Fund Size                 | USD   | 1.89    | mil |
| Units in Issue            |   | 1.55    | mil |

### Investment and Market Review ^

The strategy delivered negative absolute performance over the period gross of fees. Overall the fund saw positive contribution to return across all asset classes except EMD. From an asset class perspective Securitized Credit and US Credit were the best performers while Euro Credit and especially EMD lagged. All segment except EMD saw positive outperformance vs their respective investment universes.

Following on from a strong risk asset recover in 2020 credit spreads continued to tighten in Q1 2021 with the continued economic recovery. Long end rates moved higher over investor concerns around rising inflation with the yield curve steepening. With rates volatility dissipating in Q2 as investors reconciled a continued dovish Federal Reserve on the one hand and strong inflation data on the other rates fall back by the end of June while credit spreads continued to grind tighter approaching cyclical tight. The US treasury yields rose in the first half of 2021 with the curve steepening at the long end. The 2, 5, 10 and 30 year saw yields move higher by 0.13%, 0.53%, 0.55% and 0.44% respectively to finish June at 0.25%, 0.89%, 1.47% and 2.09%.

### Market Outlook and Investment Strategy ^

Investor were cautiously optimistic entering 2022. While a decrease of inflation pressure was seen in select data points, concern remains around how investors will react to the roll-over of inflation numbers. This is balanced on the other hand with a more hawkish Fed, which has retired the use of "transitory" when referring to higher inflation and investors' concerns of a potentially faster lift-off should inflation data remain elevated. Economic growth is robust and is expected to remain so over the short to medium term. Credit fundamentals and outlook remains strong but we see pockets of volatility in risk assets due to the Fed's normalization policy, the spread of the Omicron variant and its impact on global growth as well as the headline risks on China growth and its crackdown in various industry sectors.

The fund remains predominantly invested in corporate BBB and BB credit with an allocation to sovereigns at 11% and securitized credit at 12%. The fund has an average credit rating of BBB-/BB+ with 50% investment grade, 47% below investment grade and 3% cash. Regionally, the strategy has exposure to US Credit 28%, EUR Credit 20%, EM 27% and Structured Credit 12%. The main industry sector exposure is financials, communications and energy. The current portfolio duration is 5.40 years on an option adjusted basis, with an overweight to the short end of the curve and an underweight to the longer end vs the investment universe.

^ Source: HSBC Global Asset Management (HK) Limited



## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Global High Income Bond Fund (USD) | (1.34)       | (1.50)       | (1.18)        | 18.62         | 21.55         | N.A.           | 21.45                      |
| Benchmark*  | 0.04         | 0.09         | (0.79)        | 20.70         | 27.59         | N.A.           | 26.73                      |

### II Average Annual Compounded Returns

|   | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Global High Income Bond Fund (USD) | 5.86          | 3.98          | N.A.           | 3.83                       |
| Benchmark*  | 6.47          | 4.99          | N.A.           | 4.69                       |

\* Benchmark details:

Barclays Global Aggregate - Corporate USD Hedged with effect from 1 September 2019.

Prior to 1 September 2019, the benchmark was a composite of 35% Barclays USD Emerging Markets, 20% Barcap US Aggregate Corporate Baa, 15% Barclays US High Yield Ba, 15% Barclays Euro

Aggregate Corporate Baa Hedged USD, 15% Barclays Euro High Yield BB Hedged USD.

^Inception Date: 2 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021<br>% of NAV | MV USD mil  |
|--|-------------------------------|-------------|
| HSBC Global Investment Funds – Global High Income Bond (USD) | 100.00                        | 1.89        |
| <b>Total</b>   | <b>100.00</b>                 | <b>1.89</b> |

### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | USD       |
|--------------|-----------|
| Subscription | 143,912   |
| Redemption   | (165,894) |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global High Income Bond (USD))

### I Allocation by Country

| Country        | As at 31 Dec 2021<br>% of NAV | MV USD mil      |
|----------------|-------------------------------|-----------------|
| United States  | 34.10                         | 482.77          |
| France         | 5.78                          | 81.79           |
| Germany        | 4.67                          | 66.18           |
| United Kingdom | 3.95                          | 55.92           |
| Mainland China | 3.88                          | 54.88           |
| Cayman Islands | 3.30                          | 46.72           |
| Others         | 3.22                          | 45.63           |
| Mexico         | 2.92                          | 41.35           |
| Others*        | 35.23                         | 498.74          |
| Cash           | 2.95                          | 41.83           |
| <b>Total</b>   | <b>100.00</b>                 | <b>1,415.81</b> |

\*Includes other countries

## II Allocation by Industry

| Industry                | As at 31 Dec 2021 |                 |
|-------------------------|-------------------|-----------------|
|                         | % of NAV          | MV USD mil      |
| Financial               | 20.62             | 291.94          |
| Energy                  | 13.67             | 193.57          |
| Government              | 11.46             | 162.19          |
| Consumer Cyclical       | 9.46              | 133.89          |
| Communications          | 8.22              | 116.45          |
| Consumer Non cyclical   | 6.35              | 89.88           |
| Mortgage Securities     | 6.00              | 84.93           |
| Asset Backed Securities | 5.56              | 78.68           |
| Utilities               | 5.03              | 71.19           |
| Fund                    | 3.22              | 45.63           |
| Others*                 | 7.46              | 105.63          |
| Cash                    | 2.95              | 41.83           |
| <b>Total</b>            | <b>100.00</b>     | <b>1,415.81</b> |

\*Includes other industries

## III Allocation of Debt Securities by Credit Ratings

| Rating       | As at 31 Dec 2021 |                 |
|--------------|-------------------|-----------------|
|              | % of NAV          | MV USD mil      |
| AAA          | 1.78              | 25.14           |
| AA           | 2.72              | 38.49           |
| A            | 8.66              | 122.58          |
| BBB          | 36.65             | 518.95          |
| BB           | 29.93             | 423.81          |
| B            | 14.43             | 204.31          |
| CCC          | 2.01              | 28.52           |
| C            | 0.05              | 0.73            |
| D            | 0.05              | 0.68            |
| NR           | 0.77              | 10.76           |
| <b>Total</b> | <b>100.00</b>     | <b>1,415.81</b> |

## IV Top Ten Holdings of Underlying Sub-Fund

|                                 | As at 31 Dec 2021 |            |
|---------------------------------|-------------------|------------|
|                                 | % of NAV          | MV USD mil |
| Charter Comm Opt 6.384 23/10/35 | 0.92              | 13.17      |
| At&T Inc 3.300 01/02/52         | 0.85              | 12.02      |
| Bway Holding Co 4.750 15/04/24  | 0.82              | 11.64      |
| Veolia Envrmt 2.250             | 0.76              | 10.70      |
| Eg Global 6.250 30/10/25        | 0.74              | 10.47      |
| Us Treasury N/B 2.500 15/01/22  | 0.72              | 10.23      |
| Michaels Cos Inc 5.250 01/05/28 | 0.72              | 10.13      |
| Continental Reso 4.900 01/06/44 | 0.63              | 8.99       |
| Argentina 0.500 09/07/30        | 0.63              | 8.88       |
| American Airline 5.750 20/04/29 | 0.60              | 8.45       |

## Top Ten Holdings of Underlying Sub-Fund

|                                | As at 31 Dec 2020 |            |
|--------------------------------|-------------------|------------|
|                                | % of NAV          | MV USD mil |
| Saudi Int Bond 4.500 26/10/46  | 0.75              | 16.63      |
| US Treasury N/B 2.875 15/05/49 | 0.63              | 13.92      |
| US Treasury N/B 1.500 31/10/21 | 0.60              | 13.11      |
| Turkey Rep of 5.750 11/05/47   | 0.59              | 12.92      |
| South Africa 4.850 30/09/29    | 0.55              | 12.05      |
| Romania 5.125 15/06/48         | 0.50              | 10.98      |
| Argentina 5.875 11/01/28       | 0.45              | 9.85       |
| US Treasury N/B 1.500 30/09/21 | 0.44              | 9.69       |
| Rep of Nigeria 7.143 23/02/30  | 0.39              | 8.55       |
| Belfius Bank Sa 0.375 13/02/26 | 0.34              | 7.47       |

|                                   |                          |
|-----------------------------------|--------------------------|
| <b>V Exposure to Derivatives</b>  | <b>As at 31 Dec 2021</b> |
| % of NAV                          | 0.28%                    |
| Market value (USD)                | 3,988,660                |
| Realised Gains / (Losses) (USD)   | 17,330,315               |
| Unrealised Gains / (Losses) (USD) | (6,368,518)              |

|   |                          |
|---|--------------------------|
| <b>VI Borrowings of Net Asset Value</b> | <b>As at 31 Dec 2021</b> |
| Nil.                                    |                          |

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Global High Income Bond Fund (USD)</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|--|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                                   | <b>As at 31-Dec-20</b> | <b>As at 31-Mar-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.54%  | 1.54%                  | 1.50%                      | 1.50%                    |
| Turnover Ratio                   | 14.34%   | 1.81%                  | 1.48%                      | 1.18%                    |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 31 Dec 2020 is not available.

**II Related-Party Transactions**

HSBC Insurance Global High Income Bond Fund (USD) invests USD 1.89 million, equivalent to 99.48% of its net asset value in HSBC Global Investment Funds – Global High Income Bond (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2020 to 31 December 2021 amounts to USD 6,506.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

**For more information, please contact your financial consultant,  
call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance India Equity Fund (USD)

### Fund Objective

HSBC Insurance India Equity Fund (USD) (the "ILP Sub-Fund") aims to provide long term total return by investing in a portfolio of Indian equities.

ILP Sub-Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds - Indian Equity (the "Underlying Sub-Fund").

### FUND FACTS

|                           |   |
|---------------------------|---|
| Underlying Sub-Fund       | HSBC Global Investment Funds - Indian Equity Fund (USD) |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited        |
| Launch Date               | 17 Oct 2016   |
| CPFIS/SRS                 | Cash  |
| CPFIS Risk Classification | N.A.  |

### Investment and Market Review ^

As at 31 December 2021

The S&P IFCI/India Gross Index gained 12.70% over the 6-month horizon and outperformed the broader MSCI Asia ex Japan market (-8.46%). In terms of sectors, Communication (+30.62%) is the top performing one while Healthcare relatively underperformed (+2.56%).

|                |     |          |
|----------------|-----|----------|
| Offer Price    | USD | 1.61421  |
| Bid Price      | USD | 1.61421  |
| Fund Size      | USD | 3.34 mil |
| Units in Issue |     | 2.07 mil |

Vaccination rate in India continued to rise in the quarter as large scale vaccinations have been performed. Industrial production in the fourth quarter has also continued to show improvement and exports have remained strong. On the other hand, increasing inflationary pressure despite the excise tax cut and concerns along with the rest of the world from COVID-19 variants have capped gains for the Indian market.

The fund outperformed the benchmark on a 6-month basis. Positive stock selection effect in Health care and Industrials positively contributed to performance, partially offset by the unfavourable stock selection effect in the Materials and Utilities space.

Top stock contributor during this 6-month period is Indian Railway Catering & Tourism as the company continued to show meaningful sequential improvement in revenue and profitability led by a pick up in revenues across all business segments. The largest relative detractors over the year is Axis Bank which we are overweight on. We remain positive on the lending financials business driven by fast normalization in asset quality, which would lead to a significantly lower credit cost and hence strong earnings growth

In terms of sector positioning, we are most overweight to Real Estate and Financials and most underweight to Utilities and Consumer Staples.

### Market Outlook and Investment Strategy ^

The macro theme we are most bullish on over the next 3 years is the 'capex cycle', which we view as the single biggest driver of corporate earnings over the next 2-3 years. A multi-year theme we are positive on is that of the outsourced manufacturing, which we expect to grow to a larger share of GDP over the next few years. This will benefit more from exports and then on account of revival in domestic growth. Pockets of opportunities from this theme include specialty chemicals and in the manufacturing segments. Over the past 6 months, we have been increasing our weight the most in Materials and Information Technology. On the other hand, we have reduced our weighting most significantly in communication services.

^ Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|-------|-------|--------|--------|--------|---------|------------------|
|  | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance India Equity Fund (USD) | 1.29  | 13.88 | 28.01  | 45.58  | 71.14  | N.A.    | 61.42            |
| Benchmark*                             | 0.35  | 12.70 | 31.28  | 64.79  | 116.82 | N.A.    | 102.41           |

### II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|--|--------|--------|---------|------------------|
|  | (%)    | (%)    | (%)     | (%)              |
| HSBC Insurance India Equity Fund (USD) | 13.34  | 11.34  | N.A.    | 9.72             |
| Benchmark*                             | 18.12  | 16.74  | N.A.    | 14.63            |

\* Benchmark details:

S&P / IFCI India Gross Index

^Inception Date: 2 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class   | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| HSBC Global Investment Funds - Indian Equity Fund (USD) | 100.00            | 3.34        |
| <b>Total</b>  | <b>100.00</b>     | <b>3.34</b> |

### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | USD         |
|--------------|-------------|
| Subscription | 243,103     |
| Redemption   | (1,064,221) |

## C) Underlying Fund Disclosure (HSBC Global Investment Funds - Indian Equity Fund (USD))

### I Allocation by Country

| Country      | As at 31 Dec 2021 |                 |
|--------------|-------------------|-----------------|
|              | % of NAV          | MV USD mil      |
| India        | 102.79            | 1,225.51        |
| Cash         | (2.79)            | (33.26)         |
| <b>Total</b> | <b>100.00</b>     | <b>1,192.24</b> |

### II Allocation by Industry

| Industry               | As at 31 Dec 2021 |                 |
|------------------------|-------------------|-----------------|
|                        | % of NAV          | MV USD mil      |
| Financials             | 28.44             | 339.10          |
| Information Technology | 18.02             | 214.80          |
| Materials              | 11.74             | 139.91          |
| Consumer Discretionary | 9.69              | 115.58          |
| Energy                 | 8.65              | 103.10          |
| Health Care            | 8.05              | 96.03           |
| Industrials            | 6.52              | 77.68           |
| Consumer Staples       | 5.55              | 66.19           |
| Real Estate            | 3.97              | 47.34           |
| Utilities              | 1.29              | 15.34           |
| Communication Services | 0.88              | 10.45           |
| Cash                   | (2.79)            | (33.26)         |
| <b>Total</b>           | <b>100.02</b>     | <b>1,192.24</b> |

### III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

|                               | As at 31 Dec 2021 |            |
|-------------------------------|-------------------|------------|
|                               | % of NAV          | MV USD mil |
| Infosys Ltd                   | 9.83              | 117.15     |
| ICICI Bank Ltd                | 8.12              | 96.80      |
| Reliance Industries Ltd       | 7.65              | 91.24      |
| Larsen & Toubro Ltd           | 5.37              | 64.08      |
| Hcl Technologies Ltd          | 5.01              | 59.74      |
| Axis Bank Ltd                 | 4.92              | 58.71      |
| State Bank of India           | 3.96              | 47.18      |
| HDFC Bank Ltd                 | 3.91              | 46.65      |
| Tata Motors Ltd               | 3.66              | 43.69      |
| Sun Pharmaceutical Industries | 3.36              | 40.02      |

#### Top Ten Holdings of Underlying Sub-Fund

|                                | As at 31 Dec 2020 |            |
|--------------------------------|-------------------|------------|
|                                | % of NAV          | MV USD mil |
| Infosys Ltd                    | 9.13              | 112.02     |
| Reliance Industries Ltd        | 7.98              | 97.90      |
| ICICI Bank Ltd                 | 7.24              | 88.84      |
| HDFC Bank Ltd                  | 5.64              | 69.22      |
| Axis Bank Ltd                  | 4.80              | 58.88      |
| HCL Technologies Ltd           | 4.66              | 57.21      |
| Housing Development Finance Co | 4.28              | 52.52      |
| Maruti Suzuki India Ltd        | 3.55              | 43.61      |
| DLF Ltd                        | 3.45              | 42.40      |
| Bharti Airtel Ltd              | 2.89              | 35.44      |

#### V Exposure to Derivatives

Nil.

As at 31 Dec 2021

#### VI Borrowings of Net Asset Value

Nil.

As at 31 Dec 2021

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance India Equity Fund (USD) |                 | Underlying Sub-Fund |                   |
|---------------------------|--|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                        | As at 31-Dec-20 | As at 31-Mar-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.94%                                  | 1.93%           | 1.90%               | 1.90%             |
| Turnover Ratio            | 15.44%                                 | 7.25%           | 0.32%               | 0.42%             |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 31 Dec 2020 is not available.

#### II Related-Party Transactions

HSBC Insurance India Equity Fund (USD) invests USD 3.34 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Indian Equity Fund (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2020 to 30 December 2021 amounts to USD 6,491.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Pacific Equity Fund (USD)

### Fund Objective

HSBC Insurance Pacific Equity Fund (USD) (the "ILP Sub-Fund") seeks to provide holders with medium to long - term capital growth from a diversified portfolio of Asian-Pacific equities excluding Japanese equities.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Aberdeen Select Portfolio - Aberdeen Standard Pacific Equity Fund (the "Underlying Sub-Fund").

### FUND FACTS

|                           |   |         |     |
|---------------------------|---|---------|-----|
| Underlying Sub-Fund       | Aberdeen Standard Select Portfolio -Aberdeen Standard Pacific Equity Fund (USD) |         |     |
| Fund Manager <sup>1</sup> | abrdn Asia Limited  |         |     |
| Launch Date               | 17 Oct 2016   |         |     |
| CPFIS/SRS                 | Cash  |         |     |
| CPFIS Risk Classification | N.A.  |         |     |
| As at 31 December 2021    |   |         |     |
| Offer Price               | USD   | 1.59843 |     |
| Bid Price                 | USD   | 1.59843 |     |
| Fund Size                 | USD   | 18.29   | mil |
| Units in Issue            |   | 11.44   | mil |

### Investment and Market Review <sup>^</sup>

Market volatility remained prevalent in the final quarter of the year due largely to some early monetary-tightening measures from central banks and the emergence of the Omicron variant. The best-performing market was Taiwan, which was boosted by robust global demand for consumer electronics. South East Asian markets, bar Singapore, also fared well as economies recovered following the removal of mobility restrictions. The strongest of these was Indonesia, which posted good economic data for November, prompting its central bank to project an acceleration in GDP growth in 2022. These gains were more than offset by the weakness in China and Hong Kong, where stocks have been facing a series of headwinds. These include Beijing's regulatory crackdown, further Covid-19 outbreaks, spiking raw material prices and power cuts. Alongside the wider challenges, there has been pressure on stocks in Singapore due to the government's fresh measures to cool the buoyant housing market.

<sup>1</sup> Prior to 26 October 2021, the Fund Manager was known as Aberdeen Standard Investments (Asia) Limited.

### Market Outlook and Investment Strategy <sup>^</sup>

With vaccinations ramping up across economies, most governments across Asia appear to be moving towards a stance of living with Covid. This will support the normalising of economic activity and as travel resumes, we should expect positive effects for consumption, businesses and the overall growth recovery. A note of caution would be that a key risk is any misalignment of growth expectations. Many things are in flux right now, with economies trying to reopen, inflation risks, taper talks, rising rates and Covid disruptions, among others. We cannot extrapolate some of the post-lockdown growth rates that we have seen, and we also cannot assume that there will not be more disruptions to come, especially given the emergence of the Omicron variant.

China continues to be a key focus as the government moves towards policy loosening to help stabilise economic growth, especially in the light of the risks from the shake-up in the real estate sector. Meanwhile, geopolitical tensions will continue to drive China's push for self-sufficiency, which in turn presents investment opportunities, whether in the domestic consumption sector, tech, or green energy. We continue to position our portfolio around structural growth themes such as these that will weather the near-term uncertainties.

Lastly, despite coronavirus-related disruptions, corporate earnings growth across Asia remains resilient for the most part, led in particular by the robust tech hardware sector. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures in the pandemic environment.

<sup>^</sup> Source: abrdn Asia Limited



## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Pacific Equity Fund (USD) | (1.62)       | (7.46)       | (4.29)        | 44.86         | 68.14         | N.A.           | 59.84                      |
| Benchmark*                               | (0.72)       | (8.98)       | (2.65)        | 42.78         | 69.24         | N.A.           | 65.44                      |

### II Average Annual Compounded Returns

|  | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|---------------|---------------|----------------|----------------------------|
| HSBC Insurance Pacific Equity Fund (USD) | 13.15         | 10.95         | N.A.           | 9.51                       |
| Benchmark*                               | 12.60         | 11.10         | N.A.           | 10.24                      |

\* Benchmark details:

MSCI AC Asia Pacific ex Japan TR USD

^Inception Date: 02 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021 |              |
|--|-------------------|--------------|
|  | % of NAV          | MV USD mil   |
| Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD) | 100.00            | 18.29        |
| <b>Total</b>   | <b>100.00</b>     | <b>18.29</b> |

### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)  
USD

|              |             |
|--------------|-------------|
| Subscription | 1,840,016   |
| Redemption   | (2,192,687) |

## C) Underlying Sub-fund Disclosure (Aberdeen Standaard Select Portfolio - Aberdeen Pacific Equity Fund (USD))

### I Allocation by Country

| Country        | As at 30 Sep 2021 <sup>†</sup> |                 |
|----------------|--------------------------------|-----------------|
|                | % of NAV                       | MV USD mil      |
| China          | 25.41                          | 313.97          |
| South Korea    | 13.55                          | 167.37          |
| India          | 8.96                           | 110.66          |
| Australia      | 8.56                           | 105.72          |
| Hong Kong      | 10.15                          | 125.34          |
| Taiwan         | 11.96                          | 147.80          |
| Singapore      | 5.33                           | 65.81           |
| United Kingdom | 3.96                           | 48.97           |
| Netherlands    | 1.67                           | 20.68           |
| Others*        | 10.45                          | 129.15          |
| <b>Total</b>   | <b>100.00</b>                  | <b>1,235.47</b> |

\*Includes other countries, cash and other payable/receivable

| <b>II Allocation by Industry</b> |                 | <b>As at 30 Sep 2021†</b> |  |
|----------------------------------|-----------------|---------------------------|--|
| <b>Industry</b>                  | <b>% of NAV</b> | <b>MV USD mil</b>         |  |
| Information Technology           | 25.98           | 331.52                    |  |
| Financials                       | 18.73           | 238.96                    |  |
| Health Care                      | 8.95            | 114.22                    |  |
| Consumer Discretionary           | 8.84            | 112.80                    |  |
| Communication Services           | 8.46            | 107.94                    |  |
| Materials                        | 7.87            | 100.45                    |  |
| Unit Trusts                      | 7.13            | 91.01                     |  |
| Consumer Staples                 | 4.68            | 59.76                     |  |
| Real Estate                      | 4.55            | 58.10                     |  |
| Industrials                      | 3.28            | 41.87                     |  |
| Utilities                        | 0.59            | 7.52                      |  |
| Others*                          | 0.94            | 11.93                     |  |
| <b>Total</b>                     | <b>100.00</b>   | <b>1,276.08</b>           |  |

\*Includes cash and other payable/receivable

### III Allocation of Debt Securities by Credit Ratings

N.A.

| <b>IV Top Ten Holdings of Underlying Sub-Fund</b> |                 | <b>As at 30 Sep 2021†</b> |  |
|---|-----------------|---------------------------|--|
|   | <b>% of NAV</b> | <b>MV USD mil</b>         |  |
| Taiwan Semiconductor Manufacturing Company        | 9.04            | 115.34                    |  |
| Samsung Electronics (Preference Shares)           | 8.71            | 111.09                    |  |
| Tencent   | 8.02            | 102.34                    |  |
| AIA Group   | 4.32            | 55.10                     |  |
| New India Investment Trust Public Listed Company  | 3.08            | 39.32                     |  |
| CSL   | 3.04            | 38.78                     |  |
| HDFC  | 2.87            | 36.56                     |  |
| Alibaba Group                                     | 2.82            | 35.95                     |  |
| ASML  | 2.56            | 32.73                     |  |
| Bank Central Asia                                 | 2.47            | 31.55                     |  |

| <b>IV Top Ten Holdings of Underlying Sub-Fund</b> |                 | <b>As at 30 Sep 2020^</b> |  |
|---|-----------------|---------------------------|--|
|   | <b>% of NAV</b> | <b>MV USD mil</b>         |  |
| Tencent   | 9.34            | 100.25                    |  |
| Samsung Electronics (Preference Shares)           | 8.69            | 93.18                     |  |
| Taiwan Semiconductor Manufacturing Company        | 8.47            | 90.80                     |  |
| Aberdeen Standard China Opportunities Fund        | 4.87            | 52.24                     |  |
| CSL   | 3.93            | 41.98                     |  |
| Ping An Insurance                                 | 2.93            | 31.41                     |  |
| AIA Group   | 2.64            | 28.27                     |  |
| New India Investment Trust Public Listed Company  | 2.31            | 24.74                     |  |
| China Resources Land                              | 2.25            | 24.15                     |  |
| Aberdeen Standard Singapore Equity Fund           | 2.18            | 23.38                     |  |

### V Exposure to Derivatives

Nil.

### VI Borrowings of Net Asset Value

Nil.

† Based on unaudited figures as at 30 Sep 2021 as the unaudited figures as at 31 Dec 2021 are not available.

^ Based on audited figures as at 30 Sep 2020 as the unaudited figures as at 31 Dec 2020 are not available.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance Pacific Equity Fund (USD)</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|---|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                          | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.69%   | 1.69%                  | 1.65%                      | 1.65%                    |
| Turnover Ratio                   | 17.43%  | 11.13%                 | 35.04%                     | 33.42%                   |

\*Based on audited figures as at 31 Sep 2021 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD) for the financial year ended 31 Dec 2021 are not available.

\*\* Based on audited figures as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 31 December 2021 amounts to USD 1,088.03.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance US Equity Portfolio Fund (USD)

### Fund Objective

HSBC Insurance US Equity Portfolio Fund<sup>1</sup> (USD) (the "ILP Sub-Fund") seeks to provide long term total return by investing in a portfolio of US equities.

ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Economic Scale US Equity (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

US equity markets rose sharply in the second half of 2021 but those returns were much more volatile than the first half of the year. The third quarter started strongly with rising markets in July and August as the global economy continued its path to normalization despite worries about the Delta variant and uncertainty on the US Federal Reserve's timing of monetary policy tightening. However, markets started declining in September in the midst of China's manufacturing activity slowdown and continued supply chain disruptions but also prospects of earlier-than-expected rate hike from the Federal Reserve. Markets rose in October as positive earnings results and a resolution in the US government debt ceiling supported sentiment. The last month of the year was positive for US markets as investors hung on the optimism of the Omicron variant having a muted impact on the economic recovery despite rising cases. Over the 6-months rolling to December 2021, the fund underperformed its market cap weighted index. Both our asset allocation and stock selection weighed on performance. On a sector basis, our overweight allocations to Consumer Staples and Consumer Discretionary coupled with an underweight exposure to Communication Services contributed to performance. Conversely, our overweight allocations to Industrials and Financials along with an underweight exposure to Information Technology weighed on performance. On a stock level basis, our underweight exposure to Amazon.com Inc, Paypal Holdings Inc and Meta Platforms Inc contributed to performance. Conversely, our underweight exposures to Apple Inc, Tesla Inc and Microsoft Corp weighed on performance.

### Market Outlook and Investment Strategy <sup>^</sup>

HSBC Economic Scale strategy aims to outperform the market cap index over the long term by using an alternatively weighting scheme to provide investors with exposure that reflects the economic scale or 'footprint' of companies rather than their respective market capitalisation. This is calculated as the company's contribution to Gross National Product (GNP). The strategy has implicit biases towards small cap and value stocks, which suffered in the second half of the year. Supply-side constraints are expected to linger in the early part of 2022, keeping inflation elevated. However, goods shortages should ease amid a rotation towards services spending, business investment and hiring. This will also support growth. The new COVID-19 variant Omicron poses downside risks to activity in Q1 2022, while at the same time can exacerbate inflationary pressures. US equity valuations are relatively high which implies some caution. However, exposure to quality names, mega-cap tech and the digital economy remains beneficial. Risks to US Treasury yields remain tilted to the upside amid robust global growth expansion, Fed policy normalisation and inflation uncertainties.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## FUND FACTS

|                     |  |
|---------------------|--|
| Underlying Sub-Fund | HSBC Global Investment Funds – Economic Scale US Equity Fund (USD) |
| Fund Manager        | HSBC Global Asset Management (Singapore) Limited                   |
| Launch Date         | 18 January 2016  |
| CPFIS/SRS           | Cash   |
| CPFIS Risk          | N.A.   |
| Classification      |  |

As at 31 December 2021

|                |     |          |
|----------------|-----|----------|
| Offer Price    | USD | 2.02289  |
| Bid Price      | USD | 2.02289  |
| Fund Size      | USD | 6.54 mil |
| Units in Issue |     | 3.23 mil |

<sup>1</sup> HSBC Insurance US Equity Portfolio Fund was formerly known as HSBC Insurance US Equity Index Fund.

## A) Fund Performance

### I Cumulative Total Returns

|   | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|---|--------------|--------------|---------------|---------------|---------------|----------------|----------------------------|
| HSBC Insurance US Equity Portfolio Fund (USD) | 7.32         | 7.23         | 31.13         | 81.04         | 83.94         | N.A.           | 102.29                     |

### II Average Annual Compounded Returns

|  | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception^<br>(%) |
|--|---------------|---------------|----------------|----------------------------|
| HSBC Insurance US Equity Portfolio Fund (USD)* | 21.88         | 12.96         | N.A.           | 14.62                      |

\* There is no appropriate benchmark available against which the performance of the ILP Sub-Fund may be measured.

Until December 2021, the benchmark was S&P 500 Index (Net). Prior to 25 October 2017, the benchmark was HSBC Economic Scale United States Net.

^Inception Date: 2 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class  | As at 31 Dec 2021 |             |
|--|-------------------|-------------|
|  | % of NAV          | MV USD mil  |
| HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) | 100.00            | 6.54        |
| <b>Total</b>   | <b>100.00</b>     | <b>6.54</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | USD         |
|--------------|-------------|
| Subscription | 817,712     |
| Redemption   | (1,073,371) |

## C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Economic Scale US Equity Fund (USD))

### I Allocation by Country

| Country       | As at 31 Dec 2021 |               |
|---------------|-------------------|---------------|
|               | % of NAV          | MV USD mil    |
| United States | 98.27             | 310.62        |
| Cash          | 1.73              | 5.47          |
| <b>Total</b>  | <b>100.00</b>     | <b>316.09</b> |

### II Allocation by Industry

| Industry               | As at 31 Dec 2021 |               |
|------------------------|-------------------|---------------|
|                        | % of NAV          | MV USD mil    |
| Information Technology | 16.18             | 51.15         |
| Industrials            | 14.51             | 45.86         |
| Financials             | 14.22             | 44.94         |
| Consumer Discretionary | 13.20             | 41.73         |
| Health Care            | 10.56             | 33.37         |
| Consumer Staples       | 10.03             | 31.70         |
| Communication Services | 8.28              | 26.16         |
| Energy                 | 4.45              | 14.06         |
| Materials              | 3.70              | 11.69         |
| Real Estate            | 1.80              | 5.69          |
| Utilities              | 1.35              | 4.28          |
| Cash                   | 1.73              | 5.47          |
| <b>Total</b>           | <b>100.01</b>     | <b>316.10</b> |

### III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

|                        | As at 31 Dec 2021 |            |
|------------------------|-------------------|------------|
|                        | % of NAV          | MV USD mil |
| Walmart Inc            | 3.12              | 9.86       |
| Apple Inc              | 1.97              | 6.24       |
| At&T Inc               | 1.64              | 5.17       |
| Jpmorgan Chase & Co    | 1.37              | 4.32       |
| Bank Of America Corp   | 1.21              | 3.82       |
| General Electric Co    | 1.16              | 3.68       |
| Wells Fargo & Co       | 1.15              | 3.64       |
| Berkshire Hathaway Inc | 1.14              | 3.60       |
| Amazon.Com Inc         | 1.12              | 3.53       |
| Microsoft Corp         | 1.07              | 3.38       |

#### Top Ten Holdings of Underlying Sub-Fund

|                            | As at 31 Dec 2020 |            |
|----------------------------|-------------------|------------|
|                            | % of NAV          | MV USD mil |
| Walmart Inc                | 2.98              | 7.33       |
| Apple Inc                  | 1.92              | 4.71       |
| Jpmorgan Chase & Co        | 1.45              | 3.57       |
| General Electric Co        | 1.45              | 3.55       |
| Wells Fargo & Co           | 1.44              | 3.54       |
| At&T Inc                   | 1.38              | 3.39       |
| Bank Of America Corp       | 1.31              | 3.21       |
| Verizon Communications Inc | 1.07              | 2.62       |
| Berkshire Hathaway Inc     | 1.01              | 2.47       |
| Citigroup Inc              | 0.97              | 2.39       |

#### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 0.17%             |
| Market value (USD)                | 544,660           |
| Realised Gains / (Losses) (USD)   | (2,266,232)       |
| Unrealised Gains / (Losses) (USD) | 1,234,153         |

#### VI Borrowings of Net Asset Value

|      | As at 31 Dec 2021 |
|------|-------------------|
| Nil. |                   |

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance US Equity Portfolio Fund (USD) |                 | Underlying Sub-Fund      |                          |
|---------------------------|---|-----------------|--------------------------|--------------------------|
|                           | As at 31-Dec-21                               | As at 31-Dec-20 | As at 31-Mar-21*         | As at 30-Sep-20**        |
| Expense Ratio             | 0.79%   | 0.79%           | 0.75%                    | 0.75%                    |
| Turnover Ratio            | 31.17%  | 12.99%          | As at 31-Dec-21<br>0.36% | As at 31-Dec-20<br>0.14% |

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 31 Dec 2020 is not available.

#### II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund (USD) invests USD 6.54 million, equivalent to 100% of its net asset value in HSBC Global Investment Funds - Economic Scale US Equity Fund (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2021 to 31 December 2021 amounts to USD 6,432.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection Funds (USD)

| <b>Fund Facts</b>         | <b>HSBC Insurance World Selection 1 Fund (USD)</b> | <b>HSBC Insurance World Selection 2 Fund (USD)</b> | <b>HSBC Insurance World Selection 3 Fund (USD)</b> |
|---------------------------|--|--|--|
| Launch Date               | 17 Oct 2016  | 5 Nov 2018   | 17 Oct 2016  |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited   |  |  |
| Underlying Sub-Fund       | HSBC Portfolios – World Selection 1 USD            | HSBC Portfolios – World Selection 2 USD            | HSBC Portfolios – World Selection 3 USD            |
| CPFIS/SRS                 |  | Cash   |  |
| CPFIS Risk Classification |  | N.A.   |  |
| As at 31 December 2021    |  |  |  |
| Offer Price               | USD 1.18386  | USD 1.01113  | USD 1.44631  |
| Bid Price                 | USD 1.18386  | USD 1.01113  | USD 1.44631  |
| Fund Size                 | USD 1.77 mil                                       | 0.03 mil   | USD 3.04 mil                                       |
| Units in Issue            | 1.50 mil   | 0.03 mil   | 2.10 mil   |

| <b>Fund Facts</b>         | <b>HSBC Insurance World Selection 4 Fund (USD)</b> | <b>HSBC Insurance World Selection 5 Fund (USD)</b> |
|---------------------------|--|--|
| Launch Date               | 5 Nov 2018   | 1 April 2010                                       |
| Fund Manager              | HSBC Global Asset Management (Singapore) Limited   |  |
| Underlying Sub-Fund       | HSBC Portfolios - World Selection 4 USD            | HSBC Portfolios - World Selection 5 USD            |
| CPFIS/SRS                 |  | Cash   |
| CPFIS Risk Classification |  | N.A.   |

|                        |     |          |     |          |  |
|------------------------|-----|----------|-----|----------|--|
| As at 31 December 2021 |     |          |     |          |  |
| Offer Price            | USD | 1.39465  | USD | 1.65042  |  |
| Bid Price              | USD | 1.39465  | USD | 1.65042  |  |
| Fund Size              | USD | 0.30 mil | USD | 3.06 mil |  |
| Units in Issue         |     | 0.21 mil |     | 1.85 mil |  |

## Fund Objectives

HSBC Insurance World Selection 1 Fund (USD) seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low risk investment strategy.

HSBC Insurance World Selection 2 Fund (USD) seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low to medium risk investment strategy.

HSBC Insurance World Selection 3 Fund (USD) seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a medium risk investment strategy.

HSBC Insurance World Selection 4 Fund (USD) seeks 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.

HSBC Insurance World Selection 5 Fund (USD) seeks to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a high risk investment strategy.



## Investment and Market Review <sup>^</sup>

Global equity markets were up 18% over the review period, continuing their strong performance during the Restoration phase of the economic cycle. Markets benefited from the post-Covid market recovery, with the US in particular performing very strongly on the back of rising corporate profitability. Bond markets delivered more subdued returns over the period, with Global Government bonds falling 1.3%, this negative bond market performance was concentrated in the final quarter of the year, as inflation concerns once again flared. By contrast, Commodities and REITs performed very well in this rising inflation expectation environment.

As a result of the equity market strength, and its globally diversified investment approach, the World Selection fund rose in value over the period.

## Market Outlook and Investment Strategy <sup>^</sup>

With many economies now in the expansion phase of the economic cycle, global growth will slow in the coming quarters amid policy normalisation. Supply-side constraints remain a considerable challenge, with Omicron-related disruptions potentially exacerbating existing supply strains.

Going forward we expect stocks to outperform bonds. Within equities Cyclical factors have some space to perform. Given current risks in the market it also makes sense to hold exposure to some more defensive equity styles (e.g. Quality).

Valuations within Government bonds have recently improved amid a repricing of inflation and interest rate risks. However, we believe risks to yields remain tilted to the upside, resulting in our preference for equity over government bonds in portfolios. Within credit markets low spreads and some uncertainties on the default outlook mean that risks of capital losses in the short term remain. For us, Asia bonds are preferable despite some risks related to deleveraging efforts in China. As a result we prefer emerging market to developed market credit.

The key downside risks to markets are more persistent inflationary pressure triggering asset market sell-offs, the pandemic lasting longer than expected amid the impact of variants and slow vaccine rollout in some parts of the world and vaccine complacency or stimulus fatigue could mean premature policy withdrawal.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## A) Fund Performance

### I Cumulative Total Returns

|  | 3-Mth<br>(%) | 6-Mth<br>(%) | 1-Year<br>(%) | 3-Year<br>(%) | 5-Year<br>(%) | 10-Year<br>(%) | Since<br>Inception <sup>^</sup><br>(%) |
|--|--------------|--------------|---------------|---------------|---------------|----------------|--|
| HSBC Insurance World Selection 1 Fund (USD)* | 0.63         | 0.19         | 0.78          | 17.08         | 18.39         | N.A.           | 18.39                                  |
| HSBC Insurance World Selection 2 Fund (USD)* | 1.80         | 1.11         | 1.11          | 1.11          | N.A.          | N.A.           | 1.11                                   |
| HSBC Insurance World Selection 3 Fund (USD)* | 3.14         | 2.36         | 9.43          | 38.35         | 42.48         | N.A.           | 44.63                                  |
| HSBC insurance World Selection 4 Fund (USD)* | 4.51         | 3.64         | 13.89         | 39.47         | N.A.          | N.A.           | 39.47                                  |
| HSBC insurance World Selection 5 Fund (USD)* | 5.19         | 4.21         | 15.61         | 53.34         | 61.23         | N.A.           | 65.04                                  |

## II Average Annual Compounded Returns

|  | 3-Year | 5-Year | 10-Year | Since Inception <sup>^</sup> |
|--|--------|--------|---------|------------------------------|
|  | (%)    | (%)    | (%)     | (%)                          |
| HSBC Insurance World Selection 1 Fund (USD)* | 5.40   | 3.43   | N.A.    | 3.48                         |
| HSBC Insurance World Selection 2 Fund (USD)* | 0.37   | N.A.   | N.A.    | 2.22                         |
| HSBC Insurance World Selection 3 Fund (USD)* | 11.43  | 7.34   | N.A.    | 7.41                         |
| HSBC Insurance World Selection 4 Fund (USD)* | 11.73  | N.A.   | N.A.    | 12.08                        |
| HSBC Insurance World Selection 5 Fund (USD)* | 15.31  | 10.02  | N.A.    | 10.27                        |

\*The ILP Sub-Funds do not have a benchmark due to diverse range of asset classes; some do not have indices that meet the criteria for inclusion in a representative composite benchmark of being both investable and replicable.

<sup>^</sup>HSBC Insurance World Selection 1 Fund (USD) Inception Date: 27 Jan 2017  
 HSBC Insurance World Selection 2 Fund (USD) Inception Date: 30 Jun 2021  
 HSBC Insurance World Selection 3 Fund (USD) Inception Date: 03 Nov 2016  
 HSBC Insurance World Selection 4 Fund (USD) Inception Date: 31 Jan 2019  
 HSBC Insurance World Selection 5 Fund (USD) Inception Date: 15 Nov 2016

### HSBC Insurance World Selection 1 Fund (USD)

#### B) Fund Disclosure

##### I Allocation by Asset Class

| Asset Class                               | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| HSBC Portfolios - World Selection 1 (USD) | 100.00            | 1.77        |
| <b>Total</b>                              | <b>100.00</b>     | <b>1.77</b> |

##### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)  
USD

|              |           |
|--------------|-----------|
| Subscription | 940,584   |
| Redemption   | (143,947) |

#### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 1 (USD))

##### I Allocation by Country

N.A., as the fund is a fund-of-funds.

##### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

##### III Allocation of Debt Securities by Credit Ratings

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV USD mil |
| HSBC GIF Global Govt Bd ZQ1               | 15.52             | 73.21      |
| HSBC FTSE All-World Index Instl Acc       | 7.49              | 35.32      |
| HSBC GIF Global IG Sec Credit Bd ZC       | 3.79              | 17.88      |
| HSBC Multi Factor Worldwide Equity ETF    | 3.31              | 15.61      |
| STRUCT INV SI CRSS AST T-EU               | 3.06              | 14.42      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 2.62              | 12.34      |
| HSBC GIF Multi-Asset Style Factors ZC     | 2.51              | 11.83      |
| HSBC MSCI Canada UCITS ETF                | 2.01              | 9.47       |
| HSBC GIF Global RE Eq ZQ1                 | 1.90              | 8.96       |
| HSBC GIF Global EM Local Dbt ZQ1          | 1.42              | 6.68       |

### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV USD mil |
| HGIF GSD Bond ZQ                       | 8.24              | 36.99      |
| HSBC FTSE All-World Index Instl Acc    | 6.45              | 28.97      |
| HGIF Global Asset Backed Bond ZC       | 3.81              | 17.11      |
| HGIF GLBL I L BD ZQ                    | 3.74              | 16.80      |
| HSBC Multi Factor Worldwide Equity ETF | 3.38              | 15.18      |
| HSBC GIF Global EM Local Dbt ZQ1       | 3.28              | 14.73      |
| HSBC US Dollar Liquidity Y             | 3.27              | 14.69      |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 3.26              | 14.64      |
| Struct GS Cross Asset Trend E USD Acc  | 3.09              | 13.88      |
| HSBC GIF Global Govt Bd ZQ1            | 2.73              | 12.26      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.46%             |
| Market value (USD)                | 6,879,777         |
| Realised Gains / (Losses) (USD)   | (6,754,090)       |
| Unrealised Gains / (Losses) (USD) | (1,705,611)       |

### VI Borrowings of Net Asset Value

Nil.

### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Insurance World Selection 1 Fund (USD) |                 | Underlying Sub-Fund |                   |
|---------------------------|---|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                             | As at 31-Dec-20 | As at 30-Sep-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.60%                                       | 1.57%           | 1.22%               | 1.18%             |
| Turnover Ratio            | 12.04%                                      | 36.40%          | 0.68%               | 0.94%             |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

### II Related-Party Transactions

HSBC Insurance World Selection 1 Fund (USD) invests USD 1.77 million, equivalent to 100% of its net asset value in HSBC Portfolios - World Selection 1 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to USD 2,350.

### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

### IV Soft Dollar Commission Arrangement

Nil.

### E) Financial Statements

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## HSBC Insurance World Selection 2 Fund (USD)

### B) Fund Disclosure\*

#### I Allocation by Asset Class

| Asset Class                               | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| HSBC Portfolios - World Selection 2 (USD) | 100.00            | 0.03        |
| <b>Total</b>                              | <b>100.00</b>     | <b>0.03</b> |

#### II Fund Movement

(1 Jul 2021 – 31 Dec 2021)

|              | USD    |
|--------------|--------|
| Subscription | 13,126 |
| Redemption   | -      |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 2 (USD))

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV USD mil |
| HSBC GIF Global Govt Bd ZQ1               | 19.52             | 158.81     |
| HSBC FTSE All-World Index Instl Acc       | 15.62             | 127.06     |
| HSBC Multi Factor Worldwide Equity ETF    | 7.42              | 60.32      |
| HSBC GIF Global RE Eq ZQ1                 | 4.11              | 33.41      |
| HSBC GIF Global IG Sec Credit Bd ZC       | 4.11              | 33.41      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 3.72              | 30.27      |
| HSBC S&P 500 UCITS ETF                    | 2.95              | 23.98      |
| HSBC MSCI Canada UCITS ETF                | 2.32              | 18.87      |
| HSBC GIF Global EM Local Dbt ZQ1          | 2.22              | 18.06      |
| HSBC GIF Multi-Asset Style Factors ZC     | 2.13              | 17.33      |

#### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV USD mil |
| HSBC GIF Global Govt BD ZQ1            | 16.41             | 97.02      |
| HSBC FTSE All-World Index Instl Acc    | 14.63             | 86.50      |
| HSBC US Dollar Liquidity Y             | 6.85              | 40.50      |
| HSBC Multi Factor Worldwide Equity ETF | 6.46              | 38.19      |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 6.01              | 35.53      |
| HGIF Global Asset Backed Bond ZC       | 4.92              | 29.09      |
| HGIF GSD Bond ZQ                       | 4.84              | 28.62      |
| HSBC GIF Global EM Local DBT ZQ1       | 4.82              | 28.50      |
| HSBC GIF Global RE EQ ZQ1              | 3.65              | 21.58      |
| HGIF GLBL I L BD ZQ                    | 2.45              | 14.48      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.69%             |
| Market value (USD)                | 13,750,483        |
| Realised Gains / (Losses) (USD)   | (16,126,306)      |
| Unrealised Gains / (Losses) (USD) | 82,347            |

### VI Borrowings of Net Asset Value

Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 2 Fund (USD)</b> |                         | <b>Underlying Sub-Fund</b>      |                        |
|----------------------------------|--|-------------------------|---------------------------------|------------------------|
|                                  | <b>As at 31-Dec-21</b>                             | <b>As at 31-Dec-20*</b> | <b>As at 30-Sep-21**</b>        | <b>As at 31-Dec-20</b> |
| Expense Ratio                    | 1.28%  | N.A.                    | 1.22%                           | 1.21%                  |
| Turnover Ratio                   | 257.73%  | N.A.                    | <b>As at 31-Dec-21</b><br>0.48% | 0.69%                  |

\*Stated as N.A. as fund is yet to be incepted

\*\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 2 (USD) for the financial year ended 31 Dec 2021 is not available.

**II Related-Party Transactions**

HSBC Insurance World Selection 2 Fund (USD) invests USD 0.03 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 2 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection 3 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                               | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| HSBC Portfolios - World Selection 3 (USD) | 100.00            | 3.04        |
| <b>Total</b>                              | <b>100.00</b>     | <b>3.04</b> |

#### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | USD       |
|--------------|-----------|
| Subscription | 346,456   |
| Redemption   | (430,245) |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 3 (USD))

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV USD mil |
| HSBC FTSE All-World Index Instl Acc       | 14.89             | 180.44     |
| HSBC Multi Factor Worldwide Equity ETF    | 11.65             | 141.20     |
| HSBC GIF Global Govt Bd ZQ1               | 10.03             | 121.56     |
| HSBC GIF Global RE Eq ZQ1                 | 6.31              | 76.47      |
| HSBC American Index Institutional Acc     | 5.96              | 72.22      |
| HSBC S&P 500 UCITS ETF                    | 5.73              | 69.48      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 4.05              | 49.09      |
| HSBC GIF Global EM Local Dbt ZQ1          | 3.40              | 41.22      |
| HSBC MSCI Emerg Mkts ETF                  | 3.00              | 36.38      |
| HSBC GIF-ASIA HI YL BD-ZQ1 U              | 2.43              | 29.47      |

### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV USD mil |
| HSBC FTSE All-World Index Instl Acc    | 16.77             | 153.30     |
| HSBC Multi Factor Worldwide Equity ETF | 10.25             | 93.70      |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 8.34              | 76.24      |
| HSBC American Index Institutional Acc  | 6.89              | 62.99      |
| HSBC GIF Global EM Local DBT ZQ1       | 6.61              | 60.43      |
| HSBC GIF Global RE EQ ZQ1              | 6.06              | 55.40      |
| HSBC US Dollar Liquidity Y             | 4.45              | 40.68      |
| HSBC GIF Global Govt BD ZQ1            | 3.95              | 36.11      |
| HSBC GIF Global EM BD ZQ1              | 2.75              | 25.14      |
| HSBC GIF Global Hi Yld BD ZQ1          | 2.74              | 25.05      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.36%             |
| Market value (USD)                | 16,499,444        |
| Realised Gains / (Losses) (USD)   | (27,898,804)      |
| Unrealised Gains / (Losses) (USD) | 832,386           |

### VI Borrowings of Net Asset Value

Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 3 Fund (USD)</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|--|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                             | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.71%  | 1.69%                  | 1.42%                      | 1.41%                    |
| Turnover Ratio                   | 21.00%   | 0.86%                  | 0.50%                      | 0.73%                    |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 3 Fund (USD) invests USD 3.04 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 3 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection 4 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                               | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| HSBC Portfolios - World Selection 4 (USD) | 100.00            | 0.30        |
| <b>Total</b>                              | <b>100.00</b>     | <b>0.30</b> |

#### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | USD    |
|--------------|--------|
| Subscription | 62,207 |
| Redemption   | -      |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 4 (USD))

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV USD mil |
| HSBC Multi Factor Worldwide Equity ETF    | 14.95             | 127.73     |
| HSBC FTSE All-World Index Instl Acc       | 11.13             | 95.08      |
| Vanguard FTSE All-World UCITS ETF         | 11.10             | 94.87      |
| HSBC S&P 500 UCITS ETF                    | 9.01              | 77.01      |
| HSBC GIF Global RE Eq ZQ1                 | 8.36              | 71.48      |
| HSBC American Index Institutional Acc     | 6.81              | 58.23      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 4.81              | 41.12      |
| HSBC MSCI Emerg Mkts ETF                  | 4.14              | 35.41      |
| HSBC GIF Global EM Local Dbt ZQ1          | 3.23              | 27.63      |
| HSBC MSCI Canada UCITS ETF                | 2.73              | 23.37      |

### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV USD mil |
| HSBC Multi Factor Worldwide Equity ETF | 13.68             | 107.41     |
| HSBC FTSE All-World Index Instl Acc    | 13.27             | 104.19     |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 12.17             | 95.56      |
| Vanguard FTSE All-World UCITS ETF      | 10.69             | 83.94      |
| HSBC GIF Global RE EQ ZQ1              | 7.90              | 62.03      |
| HSBC American Index Institutional Acc  | 7.73              | 60.70      |
| HSBC GIF Global EM Local DBT ZQ1       | 5.46              | 42.87      |
| HSBC US Dollar Liquidity Y             | 4.60              | 36.12      |
| HSBC MSCI Emerg Mkts ETF               | 4.00              | 31.41      |
| HSBC European Index Institutional Acc  | 3.59              | 28.19      |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.78%             |
| Market value (USD)                | 15,254,025        |
| Realised Gains / (Losses) (USD)   | (38,950,935)      |
| Unrealised Gains / (Losses) (USD) | 2,124,341         |

### VI Borrowings of Net Asset Value

Nil.



**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 4 Fund (USD)</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|--|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                             | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>    | <b>As at 30-Sep-20**</b> |
| Expense Ratio                    | 1.72%  | 1.73%                  | 1.39%                      | 1.40%                    |
| Turnover Ratio                   | 49.07%   | 15.56%                 | 0.35%                      | 0.69%                    |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 4 (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 4 Fund (USD) invests USD 0.30 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 4 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2021 to 31 December 2021 amounts to USD 8,777.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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## HSBC Insurance World Selection 5 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

| Asset Class                               | As at 31 Dec 2021 |             |
|---|-------------------|-------------|
|   | % of NAV          | MV USD mil  |
| HSBC Portfolios - World Selection 5 (USD) | 100.00            | 3.06        |
| <b>Total</b>                              | <b>100.00</b>     | <b>3.06</b> |

#### II Fund Movement

(01 Jul 2021 – 31 Dec 2021)

|              | USD       |
|--------------|-----------|
| Subscription | 365,101   |
| Redemption   | (506,471) |

### C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 5 (USD))

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

|   | As at 31 Dec 2021 |            |
|---|-------------------|------------|
|   | % of NAV          | MV USD mil |
| HSBC S&P 500 UCITS ETF                    | 16.73             | 67.15      |
| HSBC Multi Factor Worldwide Equity ETF    | 16.66             | 66.87      |
| HSBC FTSE All-World Index Instl Acc       | 12.27             | 49.25      |
| HSBC GIF Global RE Eq ZQ1                 | 9.61              | 38.57      |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 5.62              | 22.56      |
| HSBC MSCI Emerg Mkts ETF                  | 5.56              | 22.32      |
| iShares Core S&P 500 ETF USD Acc          | 3.97              | 15.93      |
| HSBC European Index Institutional Acc     | 3.62              | 14.53      |
| HSBC American Index Institutional Acc     | 3.42              | 13.73      |
| HSBC MSCI Canada UCITS ETF                | 3.08              | 12.36      |

### Top Ten Holdings of Underlying Sub-Fund

|  | As at 31 Dec 2020 |            |
|--|-------------------|------------|
|  | % of NAV          | MV USD mil |
| HSBC S&P 500 UCITS ETF (HSPD LN)       | 16.70             | 59.10      |
| HSBC Multi Factor Worldwide Equity ETF | 14.41             | 50.99      |
| HSBC FTSE All-World Index Instl Acc    | 13.52             | 47.85      |
| HSBC GIF Global RE EQ ZQ1              | 8.63              | 30.54      |
| iShares Core S&P 500 ETF USD Acc       | 8.04              | 28.45      |
| HSBC MSCI Emerg Mkts ETF               | 5.87              | 20.77      |
| HSBC European Index Institutional Acc  | 5.60              | 19.82      |
| HSBC US Dollar Liquidity Y             | 4.51              | 15.96      |
| HSBC American Index Institutional Acc  | 3.07              | 10.86      |
| HSBC Japan Index Instl Acc             | 2.76              | 9.77       |

### V Exposure to Derivatives

|                                   | As at 31 Dec 2021 |
|-----------------------------------|-------------------|
| % of NAV                          | 1.48%             |
| Market value (USD)                | 5,949,120         |
| Realised Gains / (Losses) (USD)   | (18,665,785)      |
| Unrealised Gains / (Losses) (USD) | 1,318,685         |

### VI Borrowings of Net Asset Value

Nil.

**D) Other Disclosure Items**

| <b>I Expense/Turnover Ratios</b> | <b>HSBC Insurance World Selection 5 Fund (USD)</b> |                        | <b>Underlying Sub-Fund</b> |                          |
|----------------------------------|--|------------------------|----------------------------|--------------------------|
|                                  | <b>As at 31-Dec-21</b>                             | <b>As at 31-Dec-20</b> | <b>As at 30-Sep-21*</b>    | <b>As at 30 Sep-20**</b> |
| Expense Ratio                    | 1.80%  | 1.82%                  | 1.51%                      | 1.54%                    |
| Turnover Ratio                   | 20.84%   | 11.04%                 | 0.36%                      | 0.83%                    |

\*Based on unaudited figure as at 30 Sep 2021 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 31 Dec 2021 is not available.

\*\*Based on unaudited figure as at 30 Sep 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 5 Fund (USD) invests USD3.06 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 5 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 1 July 2021 to 31 December 2021 amounts to USD 495.

**III Material Information that will adversely impact the valuation of the ILP sub-fund**

Nil.

**IV Soft Dollar Commission Arrangement**

Nil.

**E) Financial Statements**

Refer to page 167 onwards.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Life FlexConcept Fund (USD)

### Fund Objective

HSBC Life FlexConcept Fund (USD) (the "ILP Sub-Fund") invests all or substantially all of its assets into MEAG FlexConcept – BEST 10 USD (the "Underlying Sub-Fund") which is set up under Luxembourg law. The Underlying Sub-Fund's objective is to achieve sustainable capital growth in the mid- to long-term by maintaining exposure to equity and bond markets using a rule-based investment strategy with the objective to participate in the performance of the Systematix BEST 10% RC USD Index.

### FUND FACTS

|                        |                              |         |     |
|------------------------|------------------------------|---------|-----|
| Underlying Sub-Fund    | MEAG FlexConcept - BEST10USD |         |     |
| Fund Manager           | MEAG Luxembourg S.a r.l.     |         |     |
| Launch Date            | 20 Jan 2020                  |         |     |
| CPFIS/SRS              | Cash                         |         |     |
| CPFIS Risk             | N.A.                         |         |     |
| Classification         |                              |         |     |
| As at 31 December 2021 |                              |         |     |
| Offer Price            | USD                          | 1.07561 |     |
| Bid Price              | USD                          | 1.07561 |     |
| Fund Size              | USD                          | 4.37    | mil |
| Units in Issue         |                              | 4.06    | mil |

### Investment and Market Review ^

Growth: Every peak is transitory

Reopening dynamics pushed US and Eurozone growth in Q2. YOY growth numbers cannot be expected to stay at those elevated levels, growth outlook remains solid, despite uncertainties and – temporary – supply chain issues.

Inflation: Transitory into next year

Supply chain disruptions, demand changes, huge fiscal stimulus especially for the lower incomes and a stronger ESG push all point to higher inflation rates shorter-term and an end of disinflation longer-term. Monitoring the anchoring of inflation expectations remains key.

Central banks: FED will taper

We stick to our view, that the FED will announce tapering in the November meeting. Higher inflation lets us increase our 2023 expectations to 2 instead of 1 hike. Monetary policy is designed to be more accommodative in comparison to former cycles.

### Market Outlook and Investment Strategy ^

Fiscal Policy: Impulse to weaken

Reconciliation in the US will finalize the peak of fiscal stimulus, with our expectation that there will be a bumpy road around the debt ceiling. Globally, budget discipline issues, role of the government may come up again as soon as the recovery is regarded robust.

Corona: Despite Delta losing importance

The pandemic is a historic challenge for growth and the societies. However, so far, it is also an immense success story of innovation, preventing a repeat of the bubonic plague. However, Corona won't vanish but economies will learn to deal with it even better, with risks remaining.

Conviction: Regeneration

Our highest conviction (65%) remains for a "Regeneration" of the global economy. Upgraded last month, risk for "Multiple Dips" remains (15%). Supply chain disruptions could tip the balance between "Boom" or "Stagflationary Concerns" (10% each).

^ Source: MEAG Luxembourg S.a r.l.

## A) Fund Performance

### I Cumulative Total Returns

|                                  | 3-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception^ |
|----------------------------------|-------|-------|--------|--------|--------|---------|------------------|
|                                  | (%)   | (%)   | (%)    | (%)    | (%)    | (%)     | (%)              |
| HSBC Life FlexConcept Fund (USD) | 3.17  | 1.18  | 5.66   | N.A.   | N.A.   | N.A.    | 7.56             |
| Benchmark*                       | 3.67  | 2.07  | 7.84   | N.A.   | N.A.   | N.A.    | 12.71            |

### II Average Annual Compounded Returns

|                                  | 3-Year | 5-Year | 10-Year | Since Inception^ |
|----------------------------------|--------|--------|---------|------------------|
|                                  | (%)    | (%)    | (%)     | (%)              |
| HSBC Life FlexConcept Fund (USD) | N.A.   | N.A.   | N.A.    | 3.82             |
| Benchmark*                       | N.A.   | N.A.   | N.A.    | 6.35             |

\* Benchmark details:

Systematix BEST 10% RC USD Index

^Inception Date: 20 Jan 2020

## B) Fund Disclosure

### I Allocation by Asset Class

| Asset Class                  | As at 31 Dec 2021 |             |
|------------------------------|-------------------|-------------|
|                              | % of NAV          | MV USD mil  |
| MEAG FlexConcept – BEST10USD | 100.45            | 4.39        |
| Other liabilities            | (0.45)            | (0.02)      |
| <b>Total</b>                 | <b>100.00</b>     | <b>4.37</b> |

### II Fund Movement

(01 Jul 2021 - 31 Dec 2021)

|              | USD     |
|--------------|---------|
| Subscription | 385,991 |
| Redemption   | -       |

## C) Underlying Fund Disclosure (MEAG FlexConcept – BEST10USD)

### I Allocation by Country

| Country       | As at 30 Sep 2021 <sup>†</sup> |             |
|---------------|--------------------------------|-------------|
|               | % of NAV                       | MV USD mil  |
| United States | 100.00                         | 4.36        |
| <b>Total</b>  | <b>100.00</b>                  | <b>4.36</b> |

### II Allocation by Industry

| Industry         | As at 30 Sep 2021 <sup>†</sup> |             |
|------------------|--------------------------------|-------------|
|                  | % of NAV                       | MV USD mil  |
| Government Bonds | 91.97                          | 4.01        |
| Cash             | 8.03                           | 0.35        |
| <b>Total</b>     | <b>100.00</b>                  | <b>4.36</b> |

### III Allocation of Debt Securities by Credit Ratings

| Rating         | As at 30 Sep 2021 <sup>†</sup> |             |
|----------------|--------------------------------|-------------|
|                | % of NAV                       | MV USD mil  |
| AAA equivalent | 91.97                          | 4.01        |
| Cash           | 8.03                           | 0.35        |
| <b>Total</b>   | <b>100.00</b>                  | <b>4.36</b> |

### IV Top Ten Holdings of Underlying Sub-Fund

|                                  | As at 30 Sep 2021 <sup>†</sup> |            |
|----------------------------------|--------------------------------|------------|
|                                  | % of NAV                       | MV USD mil |
| USA 0.125% 21-31.01.23 TBO       | 8.72                           | 0.38       |
| USA 2.5% 19-15.01.22 TBO AH-2022 | 6.88                           | 0.30       |
| USA 2.625% 18-15.12.21 /TBO      | 6.88                           | 0.30       |
| USA 0.375% 21-15.04.24 /TBO      | 6.88                           | 0.30       |
| USA 0% 21-21.04.22 TB            | 6.65                           | 0.29       |
| USA 1.75% 17-30.06.22 /TBO       | 6.42                           | 0.28       |
| USA 0.125% 20-31.07.22 /TBO      | 6.42                           | 0.28       |
| USA 1.875% 15-31.08.22 /TBO      | 5.73                           | 0.25       |
| USA 0.375% 20-31.03.22 /TBO      | 5.73                           | 0.25       |
| USA 0.125% 20-31.05.22 /TBO      | 5.73                           | 0.25       |

#### IV Top Ten Holdings of Underlying Sub-Fund

|                                | As at 30 Sep 2020 <sup>^</sup> |            |
|--------------------------------|--------------------------------|------------|
|                                | % of NAV                       | MV USD mil |
| USA 2.375% 18-15.04.21 /TBO    | 8.46                           | 0.32       |
| US TREA 2.625% 18-15.6.21 /TBO | 5.28                           | 0.20       |
| USA 2.625% 18-15.05.21 /TBO    | 5.28                           | 0.20       |
| USA 2.25% 14-30.04.21 /TBO     | 5.28                           | 0.20       |
| USA 2.375% 18-15.03.21 /TBO    | 5.28                           | 0.20       |
| USA 1.375% 16-31.05.21 /TBO    | 5.28                           | 0.20       |
| USA 2.5% 31.01.21 /TBO         | 5.28                           | 0.20       |
| USA 1.125% 16-28.02.21 /TBO    | 5.28                           | 0.20       |
| USA 2.625% 10-15.11.20 TBO     | 5.28                           | 0.20       |

#### V Exposure to Derivatives

|                                   | As at 30 Sep 2021 <sup>†</sup> |
|-----------------------------------|--------------------------------|
| % of NAV                          | 100.61%                        |
| Market value (USD)                | 4,178,689                      |
| Realised Gains / (Losses) (USD)   | -                              |
| Unrealised Gains / (Losses) (USD) | (204,227)                      |

#### VI Borrowings of Net Asset Value

|      | As at 30 Sep 2021 <sup>†</sup> |
|------|--------------------------------|
| N.A. |                                |

<sup>†</sup> Based on unaudited figures as at 30 Sep 2021 as the information as at 31 Dec 2021 is not available.

<sup>^</sup> Based on unaudited figures as at 30 Sep 2020 as the information as at 31 Dec 2020 is not available.

#### D) Other Disclosure Items

| I Expense/Turnover Ratios | HSBC Life FlexConcept Fund (USD) |                 | Underlying Sub-Fund |                   |
|---------------------------|----------------------------------|-----------------|---------------------|-------------------|
|                           | As at 31-Dec-21                  | As at 31-Dec-20 | As at 30-Sep-21*    | As at 30-Sep-20** |
| Expense Ratio             | 1.70%                            | 1.92%           | 1.46%               | 1.68%             |
| Turnover Ratio            | 25.58%                           | 29.99%          | 67.40%              | 4.03%             |

\*Based on audited figures as at 30 Sep 2021 as the expense and turnover ratios of the MEAG FlexConcept – BEST10USD (USD) for the financial year ended 31 Dec 2021 are not available.

\*\*Based on audited figures as at 30 Sep 2020 for comparative purposes.

#### II Related-Party Transactions

N.A.

#### III Material Information that will adversely impact the valuation of the ILP sub-fund

Nil.

#### IV Soft Dollar Commission Arrangement

Nil.

#### E) Financial Statements

Refer to page 167 onwards.

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The Capital and Income Accounts and Statements of Assets and Liabilities and of the following Investment- Linked Funds are covered in this report:

|   |   |
|---|---|
| HSBC Insurance Asia Equity Fund                         | HSBC Insurance Global High Income Bond Fund |
| HSBC Insurance Asia Focused Income Fund                 | HSBC Insurance Global Multi-Asset Fund      |
| HSBC Insurance Asian Bond Fund                          | HSBC Insurance India Equity Fund            |
| HSBC Insurance China Equity Fund                        | HSBC Insurance Pacific Equity Fund          |
| HSBC Insurance Chinese Equity Fund                      | HSBC Insurance Premium Balanced Fund        |
| HSBC Insurance Emerging Markets Equity Fund             | HSBC Insurance Singapore Bond Fund          |
| HSBC Insurance Ethical Global Equity Fund               | HSBC Insurance Singapore Equity Fund        |
| HSBC Insurance Ethical Global Sukuk Fund                | HSBC Insurance US Equity Portfolio Fund     |
| HSBC Insurance Europe Dynamic Equity Fund               | HSBC Insurance US Opportunities Equity Fund |
| HSBC Insurance Global Bond Fund                         | HSBC Insurance World Selection 1 Fund       |
| HSBC Insurance Global Emerging Markets Bond Fund        | HSBC Insurance World Selection 2 Fund       |
| HSBC Insurance Global Emerging Markets Equity Fund      | HSBC Insurance World Selection 3 Fund       |
| HSBC Insurance Global Equity Fund                       | HSBC Insurance World Selection 4 Fund       |
| HSBC Insurance Global Sustainable Equity Portfolio Fund | HSBC Insurance World Selection 5 Fund       |
| HSBC Insurance Global Equity Volatility Focused Fund    |   |

The Capital and Income Accounts and Statements of Assets and Liabilities and of the following Investment- Linked Funds are covered in this report (Cont):

|   |   |
|---|---|
| HSBC Insurance Europe Dynamic Equity Fund (USD)               | HSBC Insurance US Equity Portfolio Fund (USD) |
| HSBC Insurance Global Emerging Markets Bond Fund (USD)        | HSBC Insurance World selection 1 Fund (USD)   |
| HSBC Insurance Global Emerging Markets Equity Fund (USD)      | HSBC Insurance World Selection 2 Fund (USD)   |
| HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) | HSBC Insurance World Selection 3 Fund (USD)   |
| HSBC Insurance Global Equity Volatility Focused Fund (USD)    | HSBC Insurance World Selection 4 Fund (USD)   |
| HSBC Insurance Global High Income Bond Fund (USD)             | HSBC Insurance World Selection 5 Fund (USD)   |
| HSBC Insurance India Equity Fund (USD)                        | HSBC Life FlexConcept Fund (USD)              |
| HSBC Insurance Pacific Equity Fund (USD)                      |   |



## Financial Statements

|  | HSBC Insurance<br>Asia Equity<br>Fund<br>S\$ | HSBC Insurance<br>Asia Focused<br>Income Fund<br>S\$ | HSBC Insurance<br>Asian Bond<br>Fund<br>S\$ |
|--|--|--|---|
| <b>Capital and Income Account</b>                            |  |  |   |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |  |   |
| Value of Fund as at 1 July 2021                              | 92,580,777                                   | 8,269,603  | 15,116,432                                  |
| Amounts received by the Fund for creation of units           | 2,027,260                                    | 552,629  | 484,944                                     |
| Amounts paid by the Fund for liquidation of units            | (5,886,652)                                  | (582,180)  | (1,676,949)                                 |
| Net cash into/(out of) Fund                                  | (3,859,392)                                  | (29,551)   | (1,192,005)                                 |
| Unrealised appreciation/(diminution) in value of investments | (14,437,010)                                 | (391,009)  | (834,733)                                   |
| Gain/(Loss) on sale of investments                           | 2,256,667                                    | 48,933   | (50,832)                                    |
| Management fees  | (615,760)                                    | (50,435)   | (70,085)                                    |
| Other expenses   | (15,373)                                     | (1,511)  | (2,625)                                     |
| Increase/(Decrease) in net asset value for the period        | (16,670,868)                                 | 423,573  | (2,150,280)                                 |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>75,909,909</b>                            | <b>7,846,030</b>                                     | <b>12,966,152</b>                           |
| <b>Statement of Assets and Liabilities</b>                   |  |  |   |
| <b>As at 31 December 2021</b>                                |  |  |   |
| <u>Assets</u>  |  |  |   |
| Investments in funds   | 75,983,675                                   | 7,846,942  | 12,966,488                                  |
| Other debtors  | 47,767                                       | -  | 3,567                                       |
| Total assets   | 76,031,442                                   | 7,846,942  | 12,970,055                                  |
| <u>Liabilities</u>   |  |  |   |
| Other creditors  | (121,534)                                    | (912)  | (3,903)                                     |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>75,909,909</b>                            | <b>7,846,030</b>                                     | <b>12,966,152</b>                           |

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

|  | HSBC Insurance<br>China Equity<br>Fund | HSBC Insurance<br>Chinese Equity<br>Fund | HSBC Insurance<br>Emerging<br>Markets Equity<br>Fund |
|--|--|--|--|
|  | S\$                                    | S\$                                      | S\$  |
| <b>Capital and Income Account</b>                            |  |  |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |  |  |
| Value of Fund as at 1 July 2021                              | 92,635,014                             | 44,164,176                               | 30,595,675   |
| Amounts received by the Fund for creation of units           | 1,558,169                              | 8,812,836                                | 655,955  |
| Amounts paid by the Fund for liquidation of units            | (5,873,745)                            | (6,270,021)                              | (2,194,016)  |
| Net cash into/(out of) Fund                                  | (4,315,576)                            | 2,542,815                                | (1,538,061)  |
| Unrealised appreciation/(diminution) in value of investments | (19,227,477)                           | (8,827,739)                              | (3,758,219)  |
| Gain/(Loss) on sale of investments                           | 2,886,883                              | 423,042                                  | 764,981  |
| Management fees  | (602,482)                              | (301,000)                                | (211,200)  |
| Other expenses   | (15,042)                               | (7,515)                                  | (5,273)  |
| Increase/(Decrease) in net asset value for the period        | (21,273,694)                           | (6,170,397)                              | (4,747,772)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>71,361,320</b>                      | <b>37,993,779</b>                        | <b>25,847,903</b>                                    |
| <b>Statement of Assets and Liabilities</b>                   |  |  |  |
| <b>As at 31 December 2021</b>                                |  |  |  |
| <u>Assets</u>  |  |  |  |
| Investments in funds   | 71,379,601                             | 37,986,726                               | 25,852,986   |
| Other debtors  | 82,352                                 | 76,369                                   | 22,545   |
| Total assets   | 71,462,133                             | 38,063,095                               | 25,875,531   |
| <u>Liabilities</u>   |  |  |  |
| Other creditors  | (100,813)                              | (69,316)                                 | (27,628)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>71,361,320</b>                      | <b>37,993,779</b>                        | <b>25,847,903</b>                                    |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Ethical Global<br>Equity Fund<br>S\$ | HSBC Insurance<br>Ethical Global<br>Sukuk Fund<br>S\$ | HSBC Insurance<br>Europe Dynamic<br>Equity Fund<br>S\$ |
|--|--|---|--|
| <b>Capital and Income Account</b>                            |  |   |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |   |  |
| Value of Fund as at 1 July 2021                              | 43,939,382   | 14,049,583  | 31,665,632   |
| Amounts received by the Fund for creation of units           | 322,872  | 41,689  | 1,665,309  |
| Amounts paid by the Fund for liquidation of units            | (2,267,345)  | (550,435)   | (5,199,398)  |
| Net cash into/(out of) Fund                                  | (1,944,473)  | (508,746)   | (3,534,089)  |
| Unrealised appreciation/(diminution) in value of investments | (217,474)  | (166,606)   | 1,063,675  |
| Gain/(Loss) on sale of investments                           | 568,770  | 5,707   | 1,060,933  |
| Dividend Income  | -  | 255,364   | -  |
| Other Income   | -  | -   | -  |
| Management fees  | (321,746)  | (91,425)  | (230,314)  |
| Other expenses   | -  | (2,634)   | (5,750)  |
| Increase/(Decrease) in net asset value for the period        | (1,914,923)  | (508,340)   | (1,645,545)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>42,028,459</b>                                      | <b>13,541,243</b>                                     | <b>30,020,087</b>                                      |
| <b>Statement of Assets and Liabilities</b>                   |  |   |  |
| <b>As at 31 December 2021</b>                                |  |   |  |
| <u>Assets</u>  |  |   |  |
| Investments in funds   | 42,030,262   | 13,542,529  | 30,019,608   |
| Other debtors  | 51,757   | 14,433  | 14,363   |
| Total assets   | 42,082,019   | 13,556,962  | 30,033,971   |
| <u>Liabilities</u>   |  |   |  |
| Other creditors  | (53,560)   | (15,719)  | (13,884)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>42,028,459</b>                                      | <b>13,541,243</b>                                     | <b>30,020,087</b>                                      |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Global Bond<br>Fund<br>S\$ | HSBC Insurance<br>Global Emerging<br>Markets Bond<br>Fund<br>S\$ | HSBC Insurance<br>Global Emerging<br>Markets Equity<br>Fund<br>S\$ |
|--|--|--|--|
| <b>Capital and Income Account</b>                            |  |  |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |  |  |
| Value of Fund as at 1 July 2021                              | 6,947,406                                    | 1,666,540  | 22,372,266   |
| Amounts received by the Fund for creation of units           | 178,069                                      | 135,281  | 3,262,498  |
| Amounts paid by the Fund for liquidation of units            | (531,993)                                    | (509,807)  | (2,666,102)  |
| Net cash into/(out of) Fund                                  | (353,924)                                    | (374,526)  | 596,396  |
| Unrealised appreciation/(diminution) in value of investments | (69,715)                                     | (33,065)   | (3,222,320)  |
| Gain/(Loss) on sale of investments                           | 76,563                                       | 14,569   | 481,350  |
| Other Income   | -  | -  | -  |
| Management fees  | (27,444)                                     | (12,852)   | (161,998)  |
| Other expenses   | (1,285)                                      | (285)  | (4,045)  |
| Increase/(Decrease) in net asset value for the period        | (375,805)                                    | (406,159)  | (2,310,617)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>6,571,601</b>                             | <b>1,260,381</b>   | <b>20,061,649</b>  |
| <b>Statement of Assets and Liabilities</b>                   |  |  |  |
| <b>As at 31 December 2021</b>                                |  |  |  |
| <u>Assets</u>  |  |  |  |
| Investments in funds   | 6,572,396                                    | 1,260,474  | 20,060,656   |
| Other debtors  | 8,422  | 6  | 5,521  |
| Total assets   | 6,580,818                                    | 1,260,480  | 20,066,177   |
| <u>Liabilities</u>   |  |  |  |
| Other creditors  | (9,217)                                      | (99)   | (4,528)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>6,571,601</b>                             | <b>1,260,381</b>   | <b>20,061,649</b>  |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Global Equity<br>Fund<br>S\$ | HSBC Insurance<br>Global<br>Sustainable Equity<br>Portfolio Fund<br>S\$ | HSBC Insurance<br>Global Equity<br>Volatility<br>Focused Fund<br>S\$ |
|--|--|---|--|
| <b>Capital and Income Account</b>                            |  |   |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |   |  |
| Value of Fund as at 1 July 2021                              | 83,166,721                                     | 14,910,806  | 5,450,641  |
| Amounts received by the Fund for creation of units           | 535,786  | 1,616,739   | 269,623  |
| Amounts paid by the Fund for liquidation of units            | (5,026,336)                                    | (2,235,699)   | (710,012)  |
| Net cash into/(out of) Fund                                  | (4,490,550)                                    | (618,960)   | (440,389)  |
| Unrealised appreciation/(diminution) in value of investments | 2,772,564                                      | 1,477,181   | 165,109  |
| Gain/(Loss) on sale of investments                           | 3,264,330                                      | 164,762   | 156,937  |
| Dividend income  | -  | -   | -  |
| Management fees  | (681,814)                                      | (115,965)   | (40,697)   |
| Other expenses   | (15,959)                                       | (2,895)   | (1,016)  |
| Increase/(Decrease) in net asset value for the period        | 848,571  | 904,123   | (160,056)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>84,015,292</b>                              | <b>15,814,929</b>   | <b>5,290,585</b>   |
| <b>Statement of Assets and Liabilities</b>                   |  |   |  |
| <b>As at 30 June 2021</b>                                    |  |   |  |
| <u>Assets</u>  |  |   |  |
| Investments in funds   | 84,096,989                                     | 15,803,186  | 5,289,944  |
| Other debtors  | 50,337   | 14,272  | 805  |
| Total assets   | 84,147,326                                     | 15,817,458  | 5,290,749  |
| <u>Liabilities</u>   |  |   |  |
| Other creditors  | (132,034)                                      | (2,529)   | (164)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>84,015,292</b>                              | <b>15,814,929</b>   | <b>5,290,585</b>   |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Global High<br>Income Bond<br>Fund<br>S\$ | HSBC Insurance<br>Global<br>Multi-Asset<br>Fund<br>S\$ | HSBC Insurance<br>India Equity<br>Fund<br>S\$ |
|--|---|--|---|
| <b>Capital and Income Account</b>                            |   |  |   |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |   |  |   |
| Value of Fund as at 1 July 2021                              | 5,415,069   | 1,721,709  | 57,816,518                                    |
| Amounts received by the Fund for creation of units           | 308,152   | 280,643  | 2,575,064                                     |
| Amounts paid by the Fund for liquidation of units            | (1,264,051)   | (449,625)  | (8,050,071)                                   |
| Net cash into/(out of) Fund                                  | (955,899)   | (168,982)  | (5,475,007)                                   |
| Unrealised appreciation/(diminution) in value of investments | (151,056)   | (19,771)   | 5,790,493                                     |
| Gain/(Loss) on sale of investments                           | 113,076   | 36,914   | 2,737,270                                     |
| Management fees  | (31,108)  | (10,623)   | (458,295)                                     |
| Other expenses   | (932)   | (318)  | (11,442)                                      |
| Increase/(Decrease) in net asset value for the period        | (1,025,919)   | (162,780)  | 2,583,019                                     |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>4,389,150</b>  | <b>1,558,929</b>                                       | <b>60,399,537</b>                             |
| <b>Statement of Assets and Liabilities</b>                   |   |  |   |
| <b>As at 31 December 2021</b>                                |   |  |   |
| <u>Assets</u>  |   |  |   |
| Investments in funds   | 4,389,799   | 1,557,832  | 60,390,564                                    |
| Other debtors  | 2   | 1,147  | 182,737                                       |
| Total assets   | 4,389,801   | 1,558,979  | 60,573,301                                    |
| <u>Liabilities</u>   |   |  |   |
| Other creditors  | (651)   | (50)   | (173,764)                                     |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>4,389,150</b>  | <b>1,558,929</b>                                       | <b>60,399,537</b>                             |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Pacific Equity<br>Fund<br>S\$ | HSBC Insurance<br>Premium<br>Balanced Fund<br>S\$ | HSBC Insurance<br>Singapore Bond<br>Fund<br>S\$ |
|--|---|---|---|
| <b>Capital and Income Account</b>                            |   |   |   |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |   |   |   |
| Value of Fund as at 1 July 2021                              | 155,419,946                                     | 126,116,339                                       | 23,820,703                                      |
| Amounts received by the Fund for creation of units           | 9,648,681                                       | 2,298,373   | 624,166   |
| Amounts paid by the Fund for liquidation of units            | (19,035,941)                                    | (5,315,874)                                       | (2,083,606)                                     |
| Net cash into/(out of) Fund                                  | (9,387,260)                                     | (3,017,501)                                       | (1,459,440)                                     |
| Unrealised appreciation/(diminution) in value of investments | (15,328,707)                                    | 110,734   | (671,080)                                       |
| Gain/(Loss) on sale of investments                           | 5,624,250                                       | 2,085,597   | 26,692  |
| Management fees  | (1,085,632)                                     | (443,232)   | (91,771)  |
| Other expenses   | (27,105)  | (23,713)  | (4,296)   |
| Increase/(Decrease) in net asset value for the period        | (20,204,454)                                    | (1,288,115)                                       | (2,199,895)                                     |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>135,215,492</b>                              | <b>124,828,224</b>                                | <b>21,620,808</b>                               |
| <b>Statement of Assets and Liabilities</b>                   |   |   |   |
| <b>As at 31 December 2021</b>                                |   |   |   |
| <u>Assets</u>  |   |   |   |
| Investments in funds   | 135,234,136                                     | 124,895,479                                       | 21,626,474                                      |
| Cash and bank balances                                       | 33,614  | -   | -   |
| Other debtors  | 208,000   | 163,446   | 71,104  |
| Total assets   | 135,475,750                                     | 125,058,925                                       | 21,697,578                                      |
| <u>Liabilities</u>   |   |   |   |
| Other creditors  | (260,258)                                       | (230,701)   | (76,770)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>135,215,492</b>                              | <b>124,828,224</b>                                | <b>21,620,808</b>                               |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Singapore<br>Equity Fund<br>S\$ | HSBC Insurance<br>US Equity<br>Portfolio Fund<br>S\$ | HSBC Insurance<br>US Opportunities<br>Equity Fund<br>S\$ |
|--|---|--|--|
| <b>Capital and Income Account</b>                            |   |  |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |   |  |  |
| Value of Fund as at 1 July 2021                              | 19,316,281  | 14,802,468   | 18,340,390   |
| Amounts received by the Fund for creation of units           | 1,638,996   | 1,368,602  | 5,961,338  |
| Amounts paid by the Fund for liquidation of units            | (2,165,166)                                       | (2,614,135)  | (2,167,135)  |
| Net cash into/(out of) Fund                                  | (526,170)   | (1,245,533)  | 3,794,203  |
| Unrealised appreciation/(diminution) in value of investments | 58,635  | 276,054  | 427,096  |
| Gain/(Loss) on sale of investments                           | (45,684)  | 736,118  | 393,712  |
| Dividend Income  | 288,894   | 76,352   | -  |
| Management fees  | (109,323)   | (29,415)   | (160,620)  |
| Other expenses   | (3,639)   | (2,754)  | (4,010)  |
| Increase/(Decrease) in net asset value for the period        | (337,287)   | (189,178)  | 4,450,381  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>18,978,994</b>                                 | <b>14,613,290</b>                                    | <b>22,790,771</b>  |
| <b>Statement of Assets and Liabilities</b>                   |   |  |  |
| <b>As at 31 December 2021</b>                                |   |  |  |
| <u>Assets</u>  |   |  |  |
| Investments in funds   | 18,978,001  | 14,617,548   | 22,787,110   |
| Other debtors  | 9,161   | 27,718   | 20,321   |
| Total assets   | 18,987,162  | 14,645,266   | 22,807,431   |
| <u>Liabilities</u>   |   |  |  |
| Other creditors  | (8,168)   | (31,976)   | (16,660)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>18,978,994</b>                                 | <b>14,613,290</b>                                    | <b>22,790,771</b>  |

The accompanying notes form an integral part of these financial statements.



## Financial Statements (Cont)

|  | HSBC Insurance<br>World Selection 1<br>Fund<br>S\$ | HSBC Insurance<br>World Selection 2<br>Fund<br>S\$ | HSBC Insurance<br>World Selection 3<br>Fund<br>S\$ |
|--|--|--|--|
| <b>Capital and Income Account</b>                            |  |  |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |  |  |
| Value of Fund as at 1 July 2021                              | 4,672,954  | 298,585  | 16,277,904   |
| Amounts received by the Fund for creation of units           | 663,383  | 128,194  | 2,135,713  |
| Amounts paid by the Fund for liquidation of units            | (1,761,106)  | -  | (1,908,430)  |
| Net cash into/(out of) Fund                                  | (1,097,723)  | 128,194  | 227,283  |
| Unrealised appreciation/(diminution) in value of investments | (81,135)   | 6,190  | 96,046   |
| Gain/(Loss) on sale of investments                           | 118,654  | -  | 371,646  |
| Management fees  | (29,439)   | (2,569)  | (119,763)  |
| Other expenses   | (817)  | (69)   | (3,093)  |
| Increase/(Decrease) in net asset value for the period        | (1,090,460)  | 131,746  | 572,119  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>3,582,494</b>                                   | <b>430,331</b>                                     | <b>16,850,023</b>                                  |
| <b>Statement of Assets and Liabilities</b>                   |  |  |  |
| <b>As at 31 December 2021</b>                                |  |  |  |
| <u>Assets</u>  |  |  |  |
| Investments in funds   | 3,584,041  | 430,571  | 16,852,485   |
| Other debtors  | -  | -  | 67,330   |
| Total assets   | 3,584,041  | 430,571  | 16,919,815   |
| <u>Liabilities</u>   |  |  |  |
| Other creditors  | (1,547)  | (240)  | (69,792)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>3,582,494</b>                                   | <b>430,331</b>                                     | <b>16,850,023</b>                                  |

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

|  | <b>HSBC Insurance World<br/>Selection 4 Fund<br/>S\$</b> | <b>HSBC Insurance World<br/>Selection 5 Fund<br/>S\$</b> |
|--|--|--|
| <b>Capital and Income Account</b>                            |  |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |  |
| Value of Fund as at 1 July 2021                              | 2,006,265  | 20,839,741   |
| Amounts received by the Fund for creation of units           | 538,026  | 1,776,097  |
| Amounts paid by the Fund for liquidation of units            | -  | (2,040,540)  |
| Net cash into/(out of) Fund                                  | 538,026  | (264,443)  |
| Unrealised appreciation/(diminution) in value of investments | 91,719   | 593,218  |
| Gain/(Loss) on sale of investments                           | 3,036  | 454,072  |
| Management fees  | (17,492)   | (163,638)  |
| Other expenses   | (437)  | (3,954)  |
| Increase/(Decrease) in net asset value for the period        | 614,852  | 615,255  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>2,621,117</b>   | <b>21,454,996</b>  |
| <b>Statement of Assets and Liabilities</b>                   |  |  |
| <b>As at 31 December 2021</b>                                |  |  |
| <u>Assets</u>  |  |  |
| Investments in funds   | 2,620,064  | 21,452,401   |
| Other debtors  | 1,784  | 51,806   |
| Total assets   | 2,621,848  | 21,504,207   |
| <u>Liabilities</u>   |  |  |
| Other creditors  | (731)  | (49,211)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>2,621,117</b>   | <b>21,454,996</b>  |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Europe Dynamic<br>Equity Fund<br>(USD)<br>US\$ | HSBC Insurance<br>Global Emerging<br>Markets Bond<br>Fund (USD)<br>US\$ | HSBC Insurance<br>Global Emerging<br>Markets Equity<br>Fund (USD)<br>US\$ |
|--|--|---|---|
| <b>Capital and Income Account</b>                            |  |   |   |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |   |   |
| Value of Fund as at 1 July 2021                              | 4,107,330  | 1,509,968   | 7,644,098   |
| Amounts received by the Fund for creation of units           | 223,784  | 125,155   | 837,208   |
| Amounts paid by the Fund for liquidation of units            | (607,898)  | (193,310)   | (1,846,484)   |
| Net cash into/(out of) Fund                                  | (384,114)  | (68,155)  | (1,009,276)   |
| Unrealised appreciation/(diminution) in value of investments | 139,809  | (24,828)  | (1,257,481)   |
| Gain/(Loss) on sale of investments                           | 143,315  | 7,261   | 394,877   |
| Management fees  | (29,727)   | (12,390)  | (50,126)  |
| Other expenses   | (742)  | (275)   | (1,251)   |
| Increase/(Decrease) in net asset value for the period        | (131,459)  | (98,387)  | (1,923,257)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>3,975,871</b>   | <b>1,411,581</b>  | <b>5,720,841</b>  |
| <b>Statement of Assets and Liabilities</b>                   |  |   |   |
| <b>As at 31 December 2021</b>                                |  |   |   |
| <u>Assets</u>  |  |   |   |
| Investments in funds   | 3,974,751  | 1,411,505   | 5,720,751   |
| Other debtors  | 1,245  | 121   | 9,916   |
| Total assets   | 3,975,996  | 1,411,626   | 5,730,667   |
| <u>Liabilities</u>   |  |   |   |
| Other creditors  | (125)  | (45)  | (9,826)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>3,975,871</b>   | <b>1,411,581</b>  | <b>5,720,841</b>  |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>Global<br>Sustainable Equity<br>Portfolio Fund<br>(USD)<br>US\$ | HSBC Insurance<br>Global Equity<br>Volatility Focused<br>Fund (USD)<br>US\$ | HSBC Insurance<br>Global High<br>Income Bond<br>Fund (USD)<br>US\$ |
|--|---|---|--|
| <b>Capital and Income Account</b>                            |   |   |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |   |   |  |
| Value of Fund as at 1 July 2021                              | 5,994,225   | 295,391   | 1,937,496  |
| Amounts received by the Fund for creation of units           | 532,820   | 56,610  | 143,912  |
| Amounts paid by the Fund for liquidation of units            | (1,206,741)   | (39,306)  | (165,894)  |
| Net cash into/(out of) Fund                                  | (673,921)   | 17,304  | (21,982)   |
| Unrealised appreciation/(diminution) in value of investments | 567,223   | 12,944  | (34,815)   |
| Gain/(Loss) on sale of investments                           | 110,873   | 6,636   | 17,776   |
| Dividend Income  | -   | -   | -  |
| Management fees  | (45,764)  | (2,263)   | (12,251)   |
| Other expenses   | (1,143)   | (56)  | (367)  |
| Increase/(Decrease) in net asset value for the period        | (42,732)  | 34,565  | (51,639)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>5,951,493</b>  | <b>329,956</b>  | <b>1,885,857</b>   |
| <b>Statement of Assets and Liabilities</b>                   |   |   |  |
| <b>As at 31 December 2021</b>                                |   |   |  |
| <u>Assets</u>  |   |   |  |
| Investments in funds   | 5,951,782   | 329,962   | 1,886,260  |
| Other debtors  | 989   | 4   | 1  |
| Total assets   | 5,952,771   | 329,966   | 1,886,261  |
| <u>Liabilities</u>   |   |   |  |
| Other creditors  | (1,278)   | (10)  | (404)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>5,951,493</b>  | <b>329,956</b>  | <b>1,885,857</b>   |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>India Equity<br>Fund (USD)<br>US\$ | HSBC Insurance<br>Pacific Equity<br>Fund (USD)<br>US\$ | HSBC Insurance<br>US Equity<br>Portfolio Fund<br>(USD)<br>US\$ |
|--|--|--|--|
| <b>Capital and Income Account</b>                            |  |  |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |  |  |  |
| Value of Fund as at 1 July 2021                              | 3,662,200  | 20,115,572   | 6,347,764  |
| Amounts received by the Fund for creation of units           | 243,103  | 1,840,016  | 817,712  |
| Amounts paid by the Fund for liquidation of units            | (1,064,221)  | (2,192,687)  | (1,073,371)  |
| Net cash into/(out of) Fund                                  | (821,118)  | (352,671)  | (255,659)  |
| Unrealised appreciation/(diminution) in value of investments | 223,645  | (1,832,913)  | 77,416   |
| Gain/(Loss) on sale of investments                           | 306,573  | 507,074  | 349,289  |
| Dividend Income  | -  | -  | 32,621   |
| Management fees  | (26,938)   | (141,642)  | (12,863)   |
| Other expenses   | (673)  | (3,536)  | (1,204)  |
| Increase/(Decrease) in net asset value for the period        | (318,511)  | (1,823,688)  | 189,600  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>3,343,689</b>                                     | <b>18,291,884</b>                                      | <b>6,537,364</b>   |
| <b>Statement of Assets and Liabilities</b>                   |  |  |  |
| <b>As at 31 December 2021</b>                                |  |  |  |
| <u>Assets</u>  |  |  |  |
| Investments in funds   | 3,342,019  | 18,291,194   | 6,537,114  |
| Cash and bank balances                                       | -  | 1,088  | -  |
| Other debtors  | 1,773  | 2,771  | 451  |
| Total assets   | 3,343,792  | 18,295,053   | 6,537,565  |
| <u>Liabilities</u>   |  |  |  |
| Other creditors  | (103)  | (3,169)  | (201)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>3,343,689</b>                                     | <b>18,291,884</b>                                      | <b>6,537,364</b>   |

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

|  | <b>HSBC Insurance<br/>World Selection 1<br/>Fund (USD)<br/>US\$</b> | <b>HSBC Insurance<br/>World Selection 2<br/>Fund (USD)<br/>US\$</b> | <b>HSBC Insurance<br/>World Selection 3<br/>Fund (USD)<br/>US\$</b> |
|--|---|---|---|
| <b>Capital and Income Account</b>                            |   |   |   |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |   |   |   |
| Value of Fund as at 1 July 2021                              | 975,513   | 11,977  | 3,049,822   |
| Amounts received by the Fund for creation of units           | 940,584   | 13,126  | 346,456   |
| Amounts paid by the Fund for liquidation of units            | (143,947)   | -   | (430,245)   |
| Net cash into/(out of) Fund                                  | 796,637   | 13,126  | (83,789)  |
| Unrealised appreciation/(diminution) in value of investments | 11,717  | 212   | 21,640  |
| Gain/(Loss) on sale of investments                           | 1,074   | -   | 73,205  |
| Management fees  | (10,573)  | -   | (21,942)  |
| Other expenses   | (293)   | (4)   | (567)   |
| Increase/(Decrease) in net asset value for the period        | 798,562   | 13,334  | (11,453)  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>1,774,075</b>  | <b>25,311</b>   | <b>3,038,369</b>  |
| <b>Statement of Assets and Liabilities</b>                   |   |   |   |
| <b>As at 31 December 2021</b>                                |   |   |   |
| <u>Assets</u>  |   |   |   |
| Investments in funds   | 1,774,559   | 25,320  | 3,037,637   |
| Other debtors  | 96  | -   | 1,457   |
| Total assets   | 1,774,655   | 25,320  | 3,039,094   |
| <u>Liabilities</u>   |   |   |   |
| Other creditors  | (580)   | (9)   | (725)   |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>1,774,075</b>  | <b>25,311</b>   | <b>3,038,369</b>  |

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

|  | HSBC Insurance<br>World Selection 4<br>Fund (USD)<br>US\$ | HSBC Insurance<br>World Selection 5<br>Fund (USD)<br>US\$ | HSBC Life<br>FlexConcept Fund<br>(USD)<br>US\$ |
|--|---|---|--|
| <b>Capital and Income Account</b>                            |   |   |  |
| <b>Period From 1 July 2021 to 31 December 2021</b>           |   |   |  |
| Value of Fund as at 1 July 2021                              | 227,339   | 3,078,744   | 3,936,877                                      |
| Amounts received by the Fund for creation of units           | 62,207  | 365,101   | 385,991  |
| Amounts paid by the Fund for liquidation of units            | -   | (506,471)   | -  |
| Net cash into/(out of) Fund                                  | 62,207  | (141,370)   | 385,991  |
| Unrealised appreciation/(diminution) in value of investments | 11,242  | 47,303  | 58,728   |
| Gain/(Loss) on sale of investments                           | -   | 94,069  | -  |
| Management fees  | (1,967)   | (22,675)  | (10,653)                                       |
| Other expenses   | (49)  | (548)   | (798)  |
| Increase/(Decrease) in net asset value for the period        | 71,433  | (23,221)  | 433,268  |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>298,772</b>  | <b>3,055,523</b>  | <b>4,370,145</b>                               |
| <b>Statement of Assets and Liabilities</b>                   |   |   |  |
| <b>As at 31 December 2021</b>                                |   |   |  |
| <u>Assets</u>  |   |   |  |
| Investments in funds   | 299,312   | 3,054,421   | 4,394,586                                      |
| Other debtors  | -   | 1,825   | -  |
| Total assets   | 299,312   | 3,056,246   | 4,394,586                                      |
| <u>Liabilities</u>   |   |   |  |
| Other creditors  | (540)   | (723)   | (24,441)                                       |
| <b>Value of Fund as at 31 December 2021</b>                  | <b>298,772</b>  | <b>3,055,523</b>  | <b>4,370,145</b>                               |

The accompanying notes form an integral part of these financial statements.

## Notes to the Financial Statements

These notes form an integral part of the financial statements.

### 1. HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds

- 1.1 The Investment-Linked Funds of HSBC Insurance (Singapore) Pte. Limited (HSBC Insurance Investment-Linked Funds) comprise:

| <u>Funds</u>  | <u>Units in issue as at<br/>31 December 2021</u> |
|---|--|
| HSBC Insurance Asia Equity Fund                         | 22,173,992                                       |
| HSBC Insurance Asia Focused Income Fund                 | 6,466,283  |
| HSBC Insurance Asian Bond Fund                          | 7,083,092  |
| HSBC Insurance China Equity Fund                        | 20,385,710                                       |
| HSBC Insurance Chinese Equity Fund                      | 22,208,491                                       |
| HSBC Insurance Emerging Markets Equity Fund             | 16,267,184                                       |
| HSBC Insurance Ethical Global Equity Fund               | 25,965,347                                       |
| HSBC Insurance Ethical Global Sukuk Fund                | 10,569,232                                       |
| HSBC Insurance Europe Dynamic Equity Fund               | 17,796,567                                       |
| HSBC Insurance Global Bond Fund                         | 5,097,790  |
| HSBC Insurance Global Emerging Markets Bond Fund        | 1,185,386  |
| HSBC Insurance Global Emerging Markets Equity Fund      | 9,412,477  |
| HSBC Insurance Global Equity Fund                       | 32,339,532                                       |
| HSBC Insurance Global Sustainable Equity Portfolio Fund | 8,372,424  |
| HSBC Insurance Global Equity Volatility Focused Fund    | 3,173,545  |
| HSBC Insurance Global High Income Bond Fund             | 3,451,860  |
| HSBC Insurance Global Multi-Asset Fund                  | 1,266,209  |
| HSBC Insurance India Equity Fund                        | 16,704,187                                       |
| HSBC Insurance Pacific Equity Fund                      | 73,666,382                                       |
| HSBC Insurance Premium Balanced Fund                    | 61,610,322                                       |
| HSBC Insurance Singapore Bond Fund                      | 14,866,645                                       |
| HSBC Insurance Singapore Equity Fund                    | 14,717,573                                       |
| HSBC Insurance US Equity Portfolio Fund                 | 6,333,440  |
| HSBC Insurance US Opportunities Equity Fund             | 7,918,728  |
| HSBC Insurance World Selection 1 Fund                   | 2,639,110  |
| HSBC Insurance World Selection 2 Fund                   | 359,507  |
| HSBC Insurance World Selection 3 Fund                   | 9,893,731  |
| HSBC Insurance World Selection 4 Fund                   | 1,902,388  |
| HSBC Insurance World Selection 5 Fund                   | 10,965,365                                       |



**HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds (Cont)**

| <u>Funds</u>  | <u>Units in issue as at<br/>31 December 2021</u> |
|---|--|
| HSBC Insurance Europe Dynamic Equity Fund (USD)               | 2,519,983  |
| HSBC Insurance Global Emerging Markets Equity Fund (USD)      | 3,111,429  |
| HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) | 3,267,572  |
| HSBC Insurance Global Equity Volatility Focused Fund (USD)    | 198,799  |
| HSBC Insurance Global High Income Bond Fund (USD)             | 1,552,754  |
| HSBC Insurance Global Emerging Markets Bond Fund (USD)        | 1,262,159  |
| HSBC Insurance India Equity Fund (USD)                        | 2,071,415  |
| HSBC Insurance Pacific Equity Fund (USD)                      | 11,443,665                                       |
| HSBC Insurance US Equity Portfolio Fund (USD)                 | 3,231,692  |
| HSBC Insurance World selection 1 Fund (USD)                   | 1,498,553  |
| HSBC Insurance World Selection 2 Fund (USD)                   | 25,032   |
| HSBC Insurance World Selection 3 Fund (USD)                   | 2,100,773  |
| HSBC Insurance World Selection 4 Fund (USD)                   | 214,227  |
| HSBC Insurance World Selection 5 Fund (USD)                   | 1,851,359  |
| HSBC Life FlexConcept Fund (USD)                              | 4,062,964  |

## **2. Summary of significant accounting policies**

### **2.1 Basis of preparation**

The financial statements of the HSBC Insurance Investment-Linked Funds are presented in the currencies of the respective underlying funds, which includes Singapore and United States Dollars. The financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value.

### **2.2 Investments**

All purchases of investments, which only comprise of unit trusts, are recognised on their trade dates, i.e. the date the commitment exists to purchase the investments. The investments are initially recorded at cost, being the consideration given and excluding acquisition charges associated with the investments. After initial recognition, the investments are subsequently measured at fair value. The unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account within unrealised appreciation/ (diminution) in value of investments after being adjusted for management fees at the underlying invested unit trust. The fair value is determined by using open market valuation at the reporting date. The quoted market price used for these investments is the quoted net asset value per unit of the unit trusts.

### **2.3 Amounts received by the funds for creation of units**

The amounts received by the funds comprise the gross premiums received by the Company (after deducting charges which include bid-offer spread) and switches by the policyholders from other funds.

### **2.4 Amounts paid by the funds for liquidation of units**

The amounts paid by the funds for liquidation of units comprise of the sale of units in the investment-linked funds for the payment of death claims or surrenders and for switches by the policyholders to the other funds.

### **2.5 The amount due to and due from unitholders are calculated based on net amount basis.**

### **2.6 The amount due to and due from brokers are calculated based on net amount basis.**

### **2.7 Policy fees, mortality charges and other administrative fees**

Policy fees, mortality charges and other administrative fees are charged to the Capital and Income Accounts by way of unit deductions.

### **2.8 Gains/losses from sale of investments**

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments. The cost of disposal of investments is determined on the weighted-average cost basis. Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

### **2.9 Income and expenses recognition**

Dividend income is recognised in the Capital and Income Account when the right to receive payment is established.

Expenses are recognised on an accrual basis.

### **2.10 Foreign currencies**

The financial statements are presented in Singapore Dollar and United States Dollar, which are the functional currencies of the respective Investment-Linked Funds. Transactions in foreign currencies are translated into their functional currencies being Singapore dollars or United States Dollars at the exchange rate at the date of the transaction. Financial assets and liabilities denominated in foreign currencies at the reporting date are translated into their respective functional currencies at the exchange rate at the reporting date. Foreign currency differences are recognised in Other expenses in the Capital and Income Account.

## About Us

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