

Investment-linked policy sub-funds

Semi-annual unaudited report for six months ended 31 December 2018.



Contents

Fund Updates	3
Fund Performance Summary (SGD)	6
Fund Performance Summary (USD)	8
Notes to the Fund Disclosures	9
HSBC Insurance Asia Equity Fund	10
HSBC Insurance Asia Focused Income Fund	13
HSBC Insurance Asian Bond Fund	17
HSBC Insurance China Equity Fund	21
HSBC Insurance Chinese Equity Fund	24
HSBC Insurance Emerging Markets Equity Fund	28
HSBC Insurance Ethical Global Equity Fund	31
HSBC Insurance Ethical Global Sukuk Fund	35
HSBC Insurance Europe Dynamic Equity Fund	39
HSBC Insurance Global Bond Fund	43
HSBC Insurance Global Emerging Markets Bond Fund	47
HSBC Insurance Global Emerging Markets Equity Fund	51
HSBC Insurance Global Equity Fund	55
HSBC Insurance Global Equity Portfolio Fund	59
HSBC Insurance Global Equity Volatility Focused Fund	63
HSBC Insurance Global High Income Bond Fund	67
HSBC Insurance Global Multi-Asset Fund	71
HSBC Insurance India Equity Fund	75
HSBC Insurance Pacific Equity Fund	79
HSBC Insurance Premium Balanced Fund	83
HSBC Insurance Singapore Bond Fund	86
HSBC Insurance Singapore Equity Fund	90
HSBC Insurance US Equity Portfolio Fund	94
HSBC Insurance US Opportunities Equity Fund	98
HSBC Insurance World Selection Funds	102
HSBC Insurance Europe Dynamic Equity Fund (USD)	110
HSBC Insurance Global Emerging Markets Bond Fund (USD)	114
HSBC Insurance Global Emerging Markets Equity Fund (USD)	118
HSBC Insurance Global Equity Portfolio Fund (USD)	122
HSBC Insurance Global Equity Volatility Focused Fund (USD)	126

HSBC Insurance Global High Income Bond Fund (USD)	130
HSBC Insurance India Equity Fund (USD)	134
HSBC Insurance Pacific Equity Fund (USD)	138
HSBC Insurance US Equity Portfolio Fund (USD)	142
HSBC Insurance World Selection Funds (USD)	146
Financial Statements	156
Notes to the Financial Statements	169

Fund Updates

1 July 2018 to 31 December 2018

1. Changes to HSBC Insurance Global Bond Fund

HSBC Insurance Global Bond Fund (the "ILP Sub-Fund") took following changes effect from 3 September 2018 due to changes to the Legg Mason Western Asset Global Bond Trust (the "Underlying Fund") which the ILP Sub-Fund invests into.

1. Retirement of current manager and appointment of new manager

Western Asset Management Company Pte. Ltd ("WAMC") retired as manager of the Underlying Fund in favour of Legg Mason Asset Management Singapore Pte. Limited ("LMAMS"), a Singapore incorporated company.

LMAMS has been managing collective investment schemes in Singapore since 2003. As at 31 December 2017, LMAMS had approximately S\$4.187 billion of assets under its management.

Both WAMC and LMAMS are wholly-owned subsidiaries of Legg Mason which is a global asset management firm founded in 1899 and is currently listed on the New York Stock Exchange. As at 31 December 2017, Legg Mason manages approximately US\$767.2 billion in assets invested worldwide in a broad mix of equities, fixed income, alternatives and cash strategies.

2. Appointment of sub-manager

Following WAMC's retirement as manager of the Underlying Fund, WAMC has been appointed as a sub-manager for the Underlying Fund, alongside the existing sub-managers, Western Asset Management Company, LLC and Western Asset Management Company Limited.

The Underlying Fund will continue to be managed by the same investment teams utilizing the same investment processes.

There will be no change to investment objective, focus, approach and fund management fees of the Underlying Fund.

Existing Structure		New Structure from 3 September 2018	
Existing Manager	Sub-Manager	New Manager	Sub-Managers
Western Asset Management Company Pte. Ltd.	1) Western Asset Management Company, LLC 2) Western Asset Management Company Limited	Legg Mason Asset Management Singapore Pte. Limited	1) Western Asset Management Company Pte. Ltd. 2) Western Asset Management Company, LLC 3) Western Asset Management Company Limited

2. Changes to HSBC Insurance Pacific Equity Fund

HSBC Insurance Pacific Equity Fund (USD) and HSBC Insurance Pacific Equity Fund (SGD) (the “ILP Sub-Funds”) took following changes effective from 3 September 2018.

	Before 3 September 2018	Effective from 3 September 2018
Entity Name	Aberdeen Asset Management Asia Limited	Aberdeen Standard Investments (Asia) Limited
Underlying Fund Name	Aberdeen Pacific Equity Fund	Aberdeen Standard Pacific Equity Fund

3. Changes to HSBC Insurance Singapore Equity Fund (the “ILP-Sub Fund”)

Following change took effect from 1 October 2018 (the “Effective Date”) due to a change in the daily valuation policy of the Schroder Singapore Trust (the “Underlying Sub-Fund”) which the ILP Sub-Fund invests into.

Schroder Investment Management (Singapore) Ltd (the “Fund Manager”) applied a dilution adjustment (“Swing Pricing”) as part of its daily valuation policy from the Effective Date. The implementation of the Swing Pricing mechanism will reduce the negative cost impact to existing investors caused by large inflow or outflow monies from the Underlying Sub-Fund.

There is no change to the investment objective, focus, approach and fund management fee of the ILP Sub-Fund.

4. Changes to HSBC Insurance World Selection Funds

The Underlying Sub-Funds of HSBC Insurance World Selection Funds 1, 3 and 5 (the “ILP Sub-Funds”) moved from unhedged Singapore dollar share classes (AC-SGD) to hedged Singapore dollar share classes (ACH-SGD). The change took effect from 31 October 2018.

There is no change to the investment objective, focus, approach and fund management fee of the ILP Sub-Fund.

5. Changes to HSBC Insurance Premium Balanced Fund, HSBC Insurance Asia Equity Fund and HSBC Insurance Singapore Bond Fund (the “ILP Sub-Funds”)

Please refer to below table for the change of Underlying Sub-fund name and Underlying fund manager name.

There is no change to the investment objective, focus, approach and fund management fee of the ILP Sub-Fund.

ILP Sub-Fund	Underlying Sub-fund name Before 1st January 2019	Underlying Sub-fund name Effective from 1st January 2019
HSBC Insurance Premium Balanced Fund	Deutsche Premier Select Trust	DWS Premier Select Trust
HSBC Insurance Asia Equity Fund	Deutsche Asia Premier Trust	DWS Asia Premier Trust
HSBC Insurance Singapore Bond Fund	Deutsche Lion Bond Fund	DWS Lion Bond Fund

	Before 7th December 2018		Effective from 7th December 2018	
ILP Sub-Fund	Fund Manager Name	Sub-Manager Name	Fund Manager Name	Sub-Manager Name
HSBC Insurance Premium Balanced Fund	Deutsche Asset Management (Asia) Limited	Deutsche Asset Management Investment GmbH	DWS Investments Singapore Limited	DWS Investment GmbH*
HSBC Insurance Asia Equity Fund	Deutsche Asset Management (Asia) Limited	Deutsche Asset Management (Hong Kong) Limited	DWS Investments Singapore Limited	DWS Investments Hong Kong Limited
HSBC Insurance Singapore Bond Fund	Deutsche Asset Management (Asia) Limited	Deutsche Asset Management (Hong Kong) Limited	DWS Investments Singapore Limited	DWS Investments Hong Kong Limited

*With effect from 1 September 2018, Deutsche Asset Management Investment GmbH is known as DWS Investment GmbH.

Fund Performance Summary (SGD)

	Cumulative			Annualised	
	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	3-Year (%)
HSBC Insurance Asia Equity Fund Benchmark *	(10.46) (10.01)	(11.89) (11.05)	(13.26) (13.16)	18.87 24.28	5.93 7.52
HSBC Insurance Asia Focused Income Fund The Fund has no benchmark	(3.84)	(3.48)	(7.76)	11.61	3.73
HSBC Insurance Asian Bond Fund Benchmark *	0.25 0.48	(0.14) 0.93	(3.06) 1.68	3.73 3.80	1.23 1.25
HSBC Insurance China Equity Fund Benchmark *	(11.08) (10.95)	(14.92) (17.46)	(13.15) (17.26)	21.63 21.16	6.74 6.61
HSBC Insurance Chinese Equity Fund Benchmark *	(11.13) (11.12)	(17.39) (16.55)	(18.80) (16.63)	N.A. N.A.	N.A. N.A.
HSBC Insurance Emerging Markets Equity Fund Benchmark *	(9.24) (7.79)	(10.21) (8.61)	(14.76) (12.96)	22.14 25.15	6.89 7.76
HSBC Insurance Ethical Global Equity Fund Benchmark *	(14.75) (13.04)	(13.64) (9.49)	(12.13) (7.78)	5.69 15.25	1.86 4.84
HSBC Insurance Ethical Global Sukuk Fund Benchmark *	(0.91) 0.36	0.32 1.58	(0.78) 2.12	(0.45) 4.87	(0.15) 1.60
HSBC Insurance Europe Dynamic Equity Fund Benchmark *	(14.36) (10.71)	(14.45) (9.24)	(14.30) (8.90)	N.A. N.A.	N.A. N.A.
HSBC Insurance Global Bond Fund Benchmark *	1.48 2.17	0.45 1.45	(0.24) 1.65	2.01 7.22	0.66 2.35
HSBC Insurance Global Emerging Markets Bond Fund The Fund has no benchmark	(2.80)	(1.45)	(8.63)	4.93	1.62
HSBC Insurance Global Emerging Markets Equity Fund Benchmark *	(6.55) (7.69)	(9.71) (8.51)	(14.47) (12.87)	N.A. N.A.	N.A. N.A.
HSBC Insurance Global Equity Fund Benchmark *	(14.65) (13.63)	(11.76) (9.14)	(12.16) (6.89)	8.57 15.42	2.78 4.90
HSBC Insurance Global Equity Portfolio Fund Benchmark *	(13.81) (14.05)	(11.03) (9.58)	(11.16) (7.35)	N.A. N.A.	N.A. N.A.
HSBC Insurance Global Equity Volatility Focused Fund The Fund has no benchmark	(13.78)	(9.65)	(10.63)	N.A.	N.A.
HSBC Insurance Global High Income Bond Fund The Fund has no benchmark	(2.03)	(0.78)	(3.98)	N.A.	N.A.
HSBC Insurance Global Multi-Asset Fund The Fund has no benchmark	(4.61)	(3.56)	(6.00)	N.A.	N.A.
HSBC Insurance India Equity Fund Benchmark *	3.17 3.81	(2.38) (1.35)	(13.42) (7.66)	15.00 28.09	4.77 8.60

	3-Mth (%)	Cumulative		3-Year (%)	Annualised 3-Year (%)
		6-Mth (%)	1-Year (%)		
HSBC Insurance Pacific Equity Fund Benchmark *	(6.29) (9.05)	(7.59) (10.07)	(10.53) (11.97)	17.26 21.92	5.45 6.83
HSBC Insurance Premium Balanced Fund The Fund has no benchmark	(1.95)	(0.25)	0.29	13.85	4.42
HSBC Insurance Singapore Bond Fund Benchmark *	0.76 0.44	1.17 0.84	0.92 1.58	5.52 3.85	1.81 1.27
HSBC Insurance Singapore Equity Fund Benchmark *	(6.42) (6.95)	(5.34) (4.73)	(7.39) (7.61)	16.35 19.67	5.18 6.17
HSBC Insurance US Equity Portfolio Fund Benchmark *	(15.83) (14.42)	(11.72) (7.76)	(10.02) (3.67)	N.A. N.A.	N.A. N.A.
HSBC Insurance US Opportunities Equity Fund Benchmark *	(17.10) (16.58)	(12.55) (8.86)	(2.96) (0.25)	N.A. N.A.	N.A. N.A.
HSBC Insurance World Selection 1 Fund The Fund has no benchmark	(1.09)	(0.98)	(0.69)	2.97	0.98
HSBC Insurance World Selection 3 Fund The Fund has no benchmark	(6.62)	(5.04)	(5.30)	7.15	2.33
HSBC Insurance World Selection 5 Fund The Fund has no benchmark	(10.78)	(8.26)	(8.15)	8.84	2.86

* Refer to the respective funds for the benchmark used.

Fund Performance Summary (USD)

		Cumulative		Annualised	
	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	3-Year (%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	(14.03)	(13.97)	(13.33)	N.A.	N.A.
Benchmark *	(10.49)	(8.86)	(8.20)	N.A.	N.A.
HSBC Insurance Global Emerging Markets Bond Fund (USD)	(2.56)	(1.09)	(7.69)	N.A.	N.A.
Benchmark *	(1.19)	0.65	(4.61)	N.A.	N.A.
HSBC Insurance Global Emerging Markets Equity Fund (USD)	(6.25)	(9.51)	(15.82)	N.A.	N.A.
Benchmark *	(7.46)	(8.48)	(14.57)	N.A.	N.A.
HSBC Insurance Global Equity Portfolio Fund (USD)	(13.68)	(11.29)	(13.06)	N.A.	N.A.
Benchmark *	(14.02)	(9.74)	(9.35)	N.A.	N.A.
HSBC Insurance Global Equity Volatility Focused Fund (USD)	(13.47)	(9.16)	(9.39)	N.A.	N.A.
Benchmark *	(13.33)	(9.62)	(10.01)	N.A.	N.A.
HSBC Insurance Global High Income Bond Fund (USD)	(1.82)	(0.37)	(3.02)	N.A.	N.A.
Benchmark *	(0.95)	0.70	(1.67)	N.A.	N.A.
HSBC Insurance India Equity Fund (USD)	3.34	(2.49)	(14.94)	N.A.	N.A.
Benchmark *	4.06	(1.32)	(9.46)	N.A.	N.A.
HSBC Insurance Pacific Equity Fund (USD)	(6.09)	(7.49)	(11.98)	N.A.	N.A.
Benchmark *	(8.82)	(10.04)	(13.68)	N.A.	N.A.
HSBC Insurance US Equity Portfolio Fund (USD)	(15.64)	(11.77)	(11.61)	N.A.	N.A.
Benchmark *	(14.39)	(7.92)	(5.75)	N.A.	N.A.
HSBC Insurance World Selection 1 Fund (USD)	(2.27)	(2.38)	(3.98)	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 3 Fund (USD)	(7.68)	(6.27)	(7.91)	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 5 Fund (USD)	(11.84)	(9.54)	(11.07)	N.A.	N.A.
The Fund has no benchmark					

* 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.

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.

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 seeks to achieve capital appreciation in the medium to long-term by investing in a diversified portfolio of Asia (ex-Japan) equity and equity-related securities (including warrants and convertible securities). Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Deutsche Asia Premier Trust.

Investment and Market Review ^

Asia retreated during the reporting period. The second half of 2018 (2H18) was clouded by trade dispute between the United States (US) and China, plus tight liquidity condition caused by quantitative tightening and rate increase in the US. Given the uncertainties, consumer and corporate expenditure turned south towards the year end. The information technology (IT) sector witnessed declining smartphone and server sales. On the other hand, capital outflow pressure eased a bit in the 2H18. Hong Kong, Korea, India, Indonesia, Philippines and Thailand raised benchmark rate. Currency of Philippines, Thailand and Singapore stabilized, while other Asian currencies depreciated further against US dollar (USD). The fall in oil and commodities prices relieved inflation pressure. Indonesia and Philippines were the two outperforming equity markets, while China and South Korea lagged. Utilities and industrials were the outperforming sector, while consumer discretionary and healthcare underperformed.

Market Outlook and Investment Strategy ^

The fund moved in line with the benchmark during the reporting period. The underweight in Hong Kong and Taiwan contributed positively, together with stock selection in Philippines. On the other hand, the overweight in Singaporean real estate and stock selection in South Korea underperformed. Oil positions also dragged. The fund keeps high cash towards the year end and would deploy it when opportunities arise. The valuation is not expensive. Potential turnaround in equity markets hinges on the trade talks between the US and China, and the turnaround in earnings cycle. Currently, key underweight markets include China, Hong Kong, South Korea and Taiwan. In terms of sector, energy and financials are the most overweight sectors, while consumer staples, industrials, real estate and utilities are underweight.

^ Source: DWS Investments Singapore Limited

FUND FACTS

Underlying Fund	Deutsche Asia Premier Trust
Fund Manager	DWS Investments Singapore Limited
Launch Date	31 Jan 1994
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A.
As at 31 Dec 2018	
Offer Price	S\$ 2.77167
Bid Price	S\$ 2.63309
Fund Size	S\$ 91.31 mil
Units in Issue	34.68 mil

*Note: With effect from 28 Jun 2010, 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 Asia Equity Fund	(10.46)	(11.89)	(13.26)	18.87	20.61	110.63	177.17
Benchmark*	(10.01)	(11.05)	(13.16)	24.28	31.19	154.00	121.33

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	5.93	3.82	7.73	4.19
Benchmark*	7.52	5.58	9.77	3.25

*MSCI AC Far East ex Japan (TR)

^Inception Date: 16 Mar 1994

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Deutsche Asia Premier Trust	100.13	91.43
Other assets	0.31	0.28
Other liabilities	(0.44)	(0.40)
Total	100.00	91.31

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)	
S\$	
Subscription	4,852,107
Redemption	10,347,696

C) Underlying Fund Disclosure (Deutsche Asia Premier Trust)

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
China	36.00	38.22
Korea	14.10	14.97
Taiwan	12.20	12.95
Hong Kong	9.90	10.51
Thailand	3.00	3.18
Singapore	3.00	3.18
Malaysia	2.60	2.76
Great Britain	2.60	2.76
Others*	3.20	3.40
Cash	13.40	14.23
Total	100.00	106.16

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Financials	28.70	30.46
Information Technology	16.10	17.09
Communication Services	12.80	13.59
Consumer Discretionary	9.90	10.51
Energy	7.40	7.86
Real Estate	4.70	4.99
Materials	4.50	4.78
Industrials	2.50	2.65
Cash	13.40	14.23
Total	100.00	106.16

III Allocation of Debt Securities by Credit Ratings

N.A.

As at 31 Dec 2018

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Tencent Holdings Ltd	9.30	9.88
Alibaba Group Holding ADR	7.40	7.86
Samsung Electronics Ltd	7.00	7.43
Taiwan Semiconductor Manufacturing	5.90	6.26
China Construction Bank Corp H	5.40	5.73
Ping An Insurance (Group) Co	4.00	4.25
AIA Group Ltd	3.30	3.50
Fubon Financial Holding Ltd	2.60	2.76
Formosa Plastics Corp	2.60	2.76
HSBC Holdings Plc	2.60	2.76

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Samsung Electronics Company Limited	9.02	12.10
Tencent Holdings Limited	8.39	11.26
Alibaba Group Holding Limited	7.10	9.52
Taiwan Semiconductor Manufacturing Corporation Limited	6.67	8.95
Ping An Insurance (Group) Company of China Limited H Shares	5.64	7.57
China Construction Bank H Shares	4.73	6.34
Wynn Macau Limited	2.80	3.75
Hana Financial Group Inc	2.69	3.61
United Overseas Bank Limited	2.56	3.44
Fubon Financial Holding Company Limited	2.24	3.01

V Exposure to Derivatives

As at 31 Dec 2018

N.A.

VI Borrowings of Net Asset Value

As at 31 Dec 2018

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asia Equity Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.76%	1.77%	1.46%	1.49%
Turnover Ratio	7.33%	4.33%	31.42%	44.72%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Deutsche Asia Premier Trust for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Deutsche Asia Premier Trust for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 156.

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.

HSBC Insurance Asia Focused Income Fund

Fund Objective

HSBC Insurance Asia Focused Income 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. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the HSBC Global Investment Funds - Managed Solutions – Asia Focused Income Fund.

Investment and Market Review [^]

Markets saw high volatility in 2018 and markets were generally affected by the negative investment sentiment surrounded by concerns over the ongoing trade situation as well as central banks' movements of interest rates, together with the uncertainty in emerging markets (EM). With growing concerns that the global economy may be in the early stages of a slowdown, equity prices fell with most indices returning negatively over the period. Bond asset classes produced positive returns amid lower yields. In the 2H18, the fund returned negatively with the main detraction coming from Asia ex Japan equities resulted by the escalation in trade tension as well as the sell-off in EM assets. Our tactical allocation to Japanese equities also dragged on the portfolio with the asset class returning unfavorably. On the contrary, Asian credits returned favorably over the period, offsetting part of the negative fund return with Asian Investment Grade bonds performing notably better followed by Asian Local Currency bonds and Asian High yield bonds.

Market Outlook and Investment Strategy [^]

The mood at the start of 2019 is rather pessimistic. Fears that the two largest economies in the world are struggling to maintain previous growth rates are being exacerbated by the ongoing trade war and concern that policy makers are not doing enough to support growth. The fact that markets delivered negative returns last year even though economic fundamentals and company earnings were strong suggests that markets are being driven by other factors, in particular by a lack of liquidity as the large US budget deficit and balance sheet run off draws capital to the US Treasury (UST) bond market. On top of all that there are political concerns in many countries, not least the US where the government is partially shut down.

Against this negative mood valuations have improved in recent months. Bond yields in many markets, including the key USD ones, have risen, so that investors can earn a reasonable yield without taking excessive risks. In corporate bonds the extra yield available over government bonds has also expanded in recent months. In local currency bonds there are attractive yields in many currencies. In equities the price declines of recent months, when company earnings have been rising significantly improved valuations and therefore long term expected returns. As long as the economic background does not deteriorate significantly, these attractive valuations should begin to drive markets. We expect a balanced portfolio of Asian equities and bonds with some tactical investments in other areas to give investors attractive returns in the year ahead.

[^] 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 Classification	N.A.
As at 31 Dec 2018	
Offer Price	S\$ 1.09237
Bid Price	S\$ 1.03775
Fund Size	S\$ 8.73 mil
Units in Issue	8.41 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asia Focused Income Fund*	(3.84)	(3.48)	(7.76)	11.61	13.98	N.A.	9.24

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Focused Income Fund*	3.73	2.65	N.A.	1.51

*This fund has no benchmark.

[^]Inception Date: 06 Feb 2013

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Managed Solutions - Asia Focused Income Fund	100.00	8.73
Total	100.00	8.73

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	763,729
Redemption	1,553,684

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
China/ Hong Kong	44.33	308.32
Korea, Republic of, (South Korea)	7.98	55.48
Singapore	5.59	38.86
India	4.84	33.68
Taiwan	3.90	27.11
Thailand	3.25	22.61
Indonesia	3.25	22.59
Japan	3.13	21.79
Others*	23.40	162.75
Cash	0.33	2.29
Total	100.00	695.48

*Includes other countries

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Asian Investment Grade Bond	33.63	233.93
Asia ex Japan Equity	24.52	170.51
Global Emerging Market Debt Local Currency	10.42	72.45
Asian Local Currency Bonds	10.42	72.44
Asian High Yield Bond	9.66	67.20
Global Equities	7.98	55.53
Japanese Equity	3.04	21.13
Cash	0.33	2.29
Total	100.00	695.48

III Allocation of Debt Securities by Credit Ratings

Rating

(For Debt securities portfolio only)

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
AAA	2.09	14.51
AA+	4.15	28.86
AA	0.56	3.92
AA-	2.33	16.17
A+	7.45	51.79
A	7.27	50.59
A-	6.17	42.89
BBB+	5.30	36.83
BBB	9.67	67.24
BBB-	5.67	39.43
BB+	1.21	8.39
BB	2.41	16.79
BB-	2.46	17.10
Unrated	3.27	22.71
Others*	4.12	28.81
Total	64.13	446.03

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
HSBC GIF Global Emerging Markets Local Debt	10.44	72.46
HSBC FTSE All-World Index	7.98	55.53
HSBC Japan Index	3.13	21.79
Taiwan Semiconductor Mfg	1.73	12.06
Tencent Holdings Ltd	1.49	10.37
AIA Group Ltd	1.24	8.63
China Construction Bank	1.12	7.81
Industrial & Commercial Bank Of China	0.94	6.55
China Construct Bk Asia 4.2500 20-AUG-24	0.90	6.23
DBS Group Holdings Ltd	0.88	6.15

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
HSBC GIF Global Emerging Markets Local Debt	9.97	92.16
HSBC GIF Global Short Duration High Yield Bond	9.89	91.48
Tencent Holdings Ltd	2.79	25.76
Samsung Electronics Co Ltd	2.69	24.85
HSBC GIF Economic Scale Japan Equity	2.12	19.64
HSBC GIF India Fixed Income	2.08	19.22
Taiwan Semiconductor Co Ltd	2.00	18.51
China Construction Bank	1.31	12.09
Industrial & Commercial Bank Of China	1.25	11.59
KB Financial Group Inc	1.08	9.97

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	(0.24%)
Market value (S\$)	(1,692,281)
Realised Gains / (Losses) (S\$)	(5,228,279)
Unrealised Gains / (Losses) (S\$)	2,204,075

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asia Focused Income Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.70%	1.72%	1.66%	1.71%
			As at 31-Dec-18	As at 31-Dec-17
Turnover Ratio	16.00%	16.93%	98.37%	46.50%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance Asia Focused Income Fund invests S\$8.73 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 01 July 2018 to 31 December 2018 amounts to S\$29,106.

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

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the following sub-funds have entered into soft commission arrangements with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

Soft commission arrangements referred to herein relate solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission that are utilized by the Company. The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the sub-funds concerned. All transactions were entered into in the ordinary course of business and on normal commercial terms. Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 156

**For more information, please contact your financial planner,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Asian Bond Fund

Fund Objective

HSBC Insurance Asian Bond Fund seeks to maximize returns over the long-term by investing mainly in the bond markets of Asia's developing economies. There is no target industry or sector. Fund investments are by way of a feeder fund, which invests substantially all or all its assets in the Legg Mason Western Asset Asian Bond Trust.

Investment and Market Review [^]

Spreads largely widened in Asian credit during December. The Markit Asia Local Bond Index saw a 1.51% gain in December, bringing the year-to-date

(YTD) return to -0.44%. After a strong comeback in November, EM local bonds continued to see a broad-based recovery in December. Asian EM local bonds strengthened, led by both UST gains and Asian currency strength that led to gains across markets. The largest gains were seen in India, Singapore and Hong Kong as the well anticipated Federal Reserve (Fed) hikes resulted in investors adding duration towards the end of the year. Asian currencies gained across the board, led broadly by the strengthening of the Chinese yuan over a pause in escalating trade tensions with the US.

The decline in oil prices has benefited the primary energy importers in Asia. At 49.4, China's official manufacturing Purchasing Manager's Index dropped below the neutral mark of 50 in December for the first time since July 2016. The current growth slowdown is predominantly driven by the government's stringent deleveraging policies between late-2016 and mid-2018. This, coupled with uncertainty arising from trade tensions with the US continue to weigh on growth. The government still appears to be comfortable with the short-term pain being inflicted on growth for as long as unemployment remains manageable and surplus manufacturing labour is absorbed by the still growing service sector.

Market Outlook and Investment Strategy [^]

The Monetary Board of Bangko Sentral ng Pilipinas decided to keep its key policy rates on hold at its meeting in November. The Bank of Thailand raised its policy rate by 25 basis point (bps) to 1.75%, its first hike since 2011, with a 5-2 vote (from a 3-4 vote at the November meeting), in a bid to curb financial-stability risks and build policy space.

Asia is expected to continue to lead EM growth at 4.4% for 2019 (down from 4.8% in 2018) led by China (6.1%) and India (7.2%), bringing regional growth to 5.6%. This even as developed markets (DMs) will see growth decline from 2.3% to 2.1%. Tightening in financial conditions, however, affects individual economies unevenly; growth in Indonesia, India and the Philippines are arguably less sensitive to changes in financial conditions. Debt service ratios for the non-financial private sector in Indonesia (4.8%), India (7%) and Thailand (9.8%) are far lower than those elsewhere, reflecting lower overall debt. A given rise in funding costs, therefore, exerts less of a drag on overall demand. Lower oil prices could help counteract the recent tightening in financial conditions across the region. Inflation pressures, already remarkably subdued in most of Asia, are likely to ease further. With lower price pressures, central banks have less need to further hike interest rates.

[^] Source: Legg Mason Asset Management Singapore Pte. Limited

FUND FACTS

Underlying Fund

Legg Mason Western Asset

Asian Bond Trust

Fund Manager

Legg Mason Asset

Management Singapore

Pte. Limited

Launch Date

06 Oct 2008

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 31 Dec 2018

Offer Price

S\$ 1.91159

Bid Price

S\$ 1.81601

Fund Size

S\$ 27.06 mil

Units in Issue

14.90 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	0.25	(0.14)	(3.06)	3.73	8.00	68.16	91.16
Benchmark*	0.48	0.93	1.68	3.80	5.54	48.14	67.12

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	1.23	1.55	5.33	6.57
Benchmark*	1.25	1.08	4.01	5.17

*US\$ 3-month LIBOR (hedged to S\$)

[^]Inception Date: 28 Oct 2008

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
Legg Mason Western Asset Asian Bond Trust	100.18	27.11
Other assets	0.22	0.06
Other liabilities	(0.40)	(0.11)
Total	100.00	27.06

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	2,337,029
Redemption	3,698,961

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
Singapore	22.17	8.43
China	21.49	8.17
Hong Kong	14.10	5.36
Indonesia	13.83	5.26
South Korea	3.73	1.42
Malaysia	3.29	1.25
India	1.00	0.38
Others*	16.60	6.31
Cash	3.79	1.44
Total	100.00	38.02

*Includes other countries

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Financials	29.06	11.04
Real Estate	21.09	8.02
Government	12.97	4.93
Transportation	9.99	3.80
Construction & materials	8.47	3.22
Miscellaneous	4.73	1.80
Electrical and Electronics	4.52	1.72
Retail	1.89	0.72
Utilities	1.81	0.69
Hotel	1.68	0.64
Cash	3.79	1.44
Total	100.00	38.02

III Allocation of Debt Securities by Credit Ratings

(For Debt securities portfolio only)

	As at 31 Dec 2018	
Rating	% of NAV	MV S\$ mil
AA-	0.71	0.27
Aa3	2.63	1.00
A1	0.87	0.33
A	6.60	2.51
A2	3.50	1.33
A-	0.68	0.26
A3	1.58	0.60
Baa1	7.44	2.83
BBB	5.29	2.01
Baa2	5.16	1.96
BBB-	12.60	4.79
Baa3	8.73	3.32
Unrated	28.56	10.86
Others*	11.86	4.51
Cash	3.79	1.44
Total	100.00	38.02

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Indonesia Government Ser FR69 (Reg) 7.875% 15/04/2019	9.16	3.48
HSBC Holdings PLC (Ser EMTN) (Reg S) Var Perp	3.29	1.25
Indonesia Eximbank Ser OB 7.6% 15/08/2020	3.21	1.22
First Real Estate Invest (Reg) (Reg S) (Ser MTN) Var Perp	3.02	1.15
DBS Group Holdings Ltd Ser Reg S (Reg) Var 11/12/2028	2.95	1.12
Eastern Creation IT Inve (Reg S) (Reg) 4.15% 04/12/2021	2.89	1.10
Commonwealth Bank Aust (Reg S) (Br) Ser EMTN 4.2% 26/10/2020	2.74	1.04
Sembcorp Industries Ltd MTN Var Perp	2.63	1.00
Sembcorp Industries Ltd Ser MTN (Reg S) Var Perp	2.55	0.97
OUE CT Treasury Pte Ltd (Reg S) (Br) 3.03% 05/09/2020	2.55	0.97

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Indonesia Government Ser FR69 (Reg) 7.875% 15/04/2019	8.87	3.72
Petron Corp (Reg) (Reg S) Var Perp 29/12/2049	4.27	1.79
Indonesia Eximbank Ser OB 7.6% 15/08/2020	3.12	1.31
First Real Estate Invest (Reg) (Reg S) (Ser Mtn) Var Perp	3.05	1.28
Korea Development Bank Ser 625 (Reg) (Reg S) 4.2% 15/12/2018	2.93	1.23
Ascendas Real estate Investment (Reg S) Var Pep	2.53	1.06
NTPC Ltd Ser EMTN (Reg S) (Reg) 4.375% 26/11/2024	2.53	1.06
Semcorp Industries Ltd Mtn Var Perp	2.43	1.02
Export-Import Bank Korea EMTN (Reg S) (Reg) 3.6% 10/06/2018	2.43	1.02
OUE CT Treasury Pte Ltd (Reg S) (Br) 3.03% 05/09/2020	2.38	1.00

V Exposure to Derivatives

N.A.

As at 31 Dec 2018

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asian Bond Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.27%	1.28%	1.23%	1.25%
Turnover Ratio	14.31%	4.97%	51.04%	64.34%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Legg Mason Western Asset Asian Bond Trust for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Legg Mason Western Asset Asian Bond Trust for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 156.

**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.**

HSBC Insurance China Equity Fund

Fund Objective

HSBC Insurance China Equity 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 ("China"). Fund investments are made by way of a feeder fund through the Underlying Sub-Fund, Schroder China Opportunities Fund.

Investment and Market Review ^

The fund delivered negative returns over the review period but outperformed the benchmark significantly. On a sector basis, strong stock selection in the healthcare, consumer discretionary sectors and materials were the key contributors. However, this was partially offset by the overweight position in consumer discretionary and negative stock selection in financials.

The fund's top contributor over the period was our overweight position in gold producer Zhaojin Mining, which rallied on higher gold prices. Another contributor was our overweight position in Wuxi Biologics. Its shares rallied after the Chinese government's announcement to accelerate the approval of new drugs, which is expected to help Wuxi Biologics move along the development stages of its projects with higher revenue per project in later stages. Sinotrans Shipping was another leading contributor. Its share price surged after a unit of its controlling shareholder proposed privatising the company.

Meanwhile, Four Seasons Education, a provider of after-school math tutoring services, came under pressure amid concerns over stricter regulatory oversight. The company has taken measures to expand into new subjects and the middle school market though these efforts would take time to bear fruit. Another negative contributor was our overweight exposure to e-commerce giant Vipshop.

Market Outlook and Investment Strategy ^

Overall sentiment towards the internet sector was weak, especially after the disappointing results of some US internet companies such as Facebook. Also, Vipshop's cooperation with JD and Tencent has yet to see meaningful traffic contribution. Given that its integration with the Wechat platform is fairly recent, we remain constructive and are of the view this will come through going into 2019. Another detractor was our overweight position in New China Life Insurance as the fall in Chinese bond yields weighed on the life insurance sector in China.

^ Source: Schroder Investment Management (Singapore) Ltd

FUND FACTS

Underlying Sub-Fund	Schroder International Opportunities Portfolio - 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 Dec 2018

Offer Price	S\$ 2.55826
Bid Price	S\$ 2.43035
Fund Size	S\$ 82.82 mil
Units in Issue	34.08 mil

*Note: With effect from 31 Aug 2016, 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 China Equity Fund	(11.08)	(14.92)	(13.15)	21.63	43.73	99.02	155.83
Benchmark*	(10.95)	(17.46)	(17.26)	21.16	35.48	N.A.	N.A.**

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance China Equity Fund	6.74	7.53	7.12	6.43
Benchmark*	6.61	6.26	N.A.	N.A.**

* Benchmark Details:

Inception to February 2009 – MSCI China Index

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

From March 2011 to April 2013 – MSCI TR China Gross

From April 2013 onwards – MSCI TR China Net

** MSCI TR China Net was benchmark since April 2013; previous benchmark was MSCI China Index performance of composite Index is unavailable from 08 December 2003.

[^]Inception Date: 08 Dec 2003

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018 % of NAV	MV S\$ mil
Schroder International Opportunities Portfolio - Schroder China Opportunities Fund	100.05	82.86
Other assets	0.30	0.26
Other liabilities	(0.35)	(0.30)
Total	100.00	82.82

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	3,924,836
Redemption	10,965,764

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

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
Luxembourg	98.83	106.90
Other net assets/(liabilities)	1.17	1.27
Total	100.00	108.17

*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 (ISF), an open-ended investment company corporate in Luxembourg).

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund*

	As at 31 Dec 2018 % of NAV	MV S\$ mil
Schroder International Selection Fund – China Opportunities C Accumulation Share Class	98.83	106.90

Top Ten Holdings of Underlying Sub-Fund*

	As at 31 Dec 2017 % of NAV	MV S\$ mil
Schroder International Selection Fund – China Opportunities C Accumulation Share Class	99.33	130.18

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

V Exposure to Derivatives	As at 31 Dec 2018
% of NAV	-
Market value (\$\$)	-
Realised Gains / (Losses) (\$\$)	15,273
Unrealised Gains / (Losses) (\$\$)	-

VI Borrowings of Net Asset Value	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance China Equity Fund		Underlying Sub-fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.78%	1.78%	1.68%	1.70%
Turnover Ratio	5.28%	3.12%	3.30%	1.09%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Schroder International Opportunities Portfolio - Schroder China Opportunities Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Schroder International Opportunities Portfolio - Schroder China Opportunities Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

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

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

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 157.

**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.**

HSBC Insurance Chinese Equity Fund

Fund Objective

HSBC Insurance Chinese Equity Fund seeks long-term capital growth mainly through a diversified portfolio of investments in equity and equity equivalent securities of companies listed on a major stock exchange or other regulated market of the People's Republic of China ("China"), including Hong Kong SAR, as well as companies which carry out a preponderant part of their business activities in China. 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.

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 Classification	N.A.	
As at 31 Dec 2018		
Offer Price	S\$	1.34949
Bid Price	S\$	1.28202
Fund Size	S\$	10.51 mil
Units in Issue		8.20 mil

Investment and Market Review ^

The GIF Chinese Equity Fund dropped 16.5% in USD terms over the 2H18, in line with the movement of its benchmark Morgan Stanley Capital International (MSCI) China 10/40 Net Index.

US-China trade tension was the key overhang to equity market during the period. On July 6, US's \$34bn worth of tariffs against China took effect. On July 11, US unveiled another US\$200bn Chinese imports that are subject to 10% tariff that could take effect in September to October. Despite a truce on tariff was agreed in November, further details have been limited so far, raising skepticism of deal making progress. The heightened trade tension has also led to increased concerns on China's economic growth outlook, which in turn has depressed Reminbi, especially during the third quarter of 2018 (3Q18). In light of rising external uncertainties, government policies have turned more pro-growth. Intensive easing and stimulus policies have been announced (to boost infrastructure investment, to cut tax for households and corporates, to stimulate consumer spending, to cut import tariffs etc.) to mitigate potential trade impact. Policy makers are expected to flexibly adjust policies and maintain an easing bias to avoid any sharp slowdown in growth in the near future.

The fund performed in line with the market in the 2H18 as the positive effect from favourable sector allocation is offset by unsuccessful stock selection, mainly in the communication and healthcare sectors. Major contributors were favourable sector allocation in the consumer discretionary and technology sector during the 2H18.

Market Outlook and Investment Strategy ^

US-China trade tension continued to depress equity market. MSCI China declined by nearly 20% in 2018, and is trading on 10x 1-yr forward PE, below its long-term historical average. We believe the market is biased towards and has reflected a full blown trade war. In our view, the current valuation looks appealing. With policies turned to pro-growth since July, we are not too concerned on the domestic side. Intensive easing and stimulus policies are expected to be in place to avoid any sharp slowdown in growth. Supply-side and SOE reforms, in addition to the open up of capital/financial markets is helping to support the economy and equity market as well. On the liquidity front, as consumer price inflation remains reasonably low globally, liquidity should remain supportive to the equity market. We believe given the underlying strength of the economy, the availability of policy options for the government to stimulate growth, and the attractive valuation after the corrections, the offshore Chinese equity market warrants a recovery in 2019.

We are offer wanted sectors that are expected to be benefit from the government's expansionary and supportive policies, including real estate and industrial capital goods. For real estate, we expect the government will launch more policy fine-tune to avoid sharp slowdown in the sector, whereas the capital goods sector is expected to benefit from the pick on of infrastructure investment. We are also overweight banks and communication services as they are considered more defensive amid the current volatile 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^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Chinese Equity Fund	(11.13)	(17.39)	(18.80)	N.A.	N.A.	N.A.	28.20
Benchmark*	(11.12)	(16.55)	(16.63)	N.A.	N.A.	N.A.	35.30

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Chinese Equity Fund	N.A.	N.A.	N.A.	8.84
Benchmark*	N.A.	N.A.	N.A.	10.85

*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 2018 % of NAV	MV S\$ mil
HSBC Global Investment Funds – Chinese Equity Fund	100.00	10.51
Total	100.00	10.51

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	4,811,296
Redemption	112,690

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

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
H Shares (Hong Kong)	40.10	629.80
Red Chips (Hong Kong)	19.80	311.06
P Chips (Hong Kong & China)	14.24	223.73
A Shares (Shanghai)	1.22	19.18
Others*	22.46	352.67
Cash	2.18	34.20
Total	100.00	1,570.64

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018 % of NAV	MV S\$ mil
Communication Services	33.94	533.53
Financials	30.81	483.85
Real Estate	10.96	172.12
Industrials	5.44	85.38
Utilities	4.57	71.75
Energy	4.21	66.06
Consumer Discretionary	3.48	54.59
Consumer Staples	2.52	39.56
Health Care	1.21	18.98
Information Technology	0.40	6.27
Materials	0.28	4.35
Cash	2.18	34.20
Total	100.00	1,570.64

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Tencent Holdings Ltd	9.80	153.78
China Construction Bank Corp	9.10	142.97
Alibaba Group Holding Ltd	8.83	138.67
Indl and Comm Bank of China Ltd	5.43	85.30
China Mobile Ltd	4.85	76.17
Ping An Ins Grp Co of China Ltd	4.58	71.98
China Overseas Land & Inv Ltd	3.70	58.14
Link REIT/The	3.42	53.79
Baidu Inc	2.90	45.59
Agricultural Bank Of China-H	2.84	44.56

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Tencent Holdings Ltd	9.88	214.66
Alibaba Group Holding Ltd	9.48	205.94
Ping An Ins Grp Co of China Ltd	6.96	151.07
China Construction Bank Corp	6.43	139.70
Indl and Comm Bank of China Ltd	3.92	85.14
AAC Technologies Holdings Inc	3.16	68.60
Bank of China Ltd	2.96	64.17
Baidu Inc	2.85	61.80
Sino Biopharmaceutical Ltd	2.36	51.27
Brilliance China Auto Hldg Ltd	2.29	49.69

V Exposure to Derivatives

N.A.

As at 31 Dec 2018

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Chinese Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.95%	1.92%	1.90%	1.90%
Turnover Ratio	2.74%	6.19%	156.43%	92.54%
*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Chinese Equity Fund for the financial year ended 31 Dec 2018 is not available.				
**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Chinese Equity Fund for the financial year ended 31 Dec 2017 is not available.				

II Related-Party Transactions

HSBC Insurance Chinese Equity Fund S\$10.51 million, equivalent to 100% 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 2018 to 31 December 2018 amounts to S\$33,890.

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

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

Soft Commission arrangements referred to herein relate solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission that are utilized by the Company. The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the sub-funds concerned.

All transactions were entered into in the ordinary course of business and on normal commercial terms. Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 157.

**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.**

HSBC Insurance Emerging Markets Equity Fund

Fund Objective

HSBC Insurance Emerging Markets Equity Fund seeks to achieve capital growth primarily through investment in equity securities of emerging markets companies. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Schroder Emerging Markets Fund.

Investment and Market Review [^]

EM equities registered a negative return over the twelve months ending December 2018. Monetary policy normalisation from major global central banks continued and the Fed made four 25 bps rate rises to 2.5%. The USD strengthened, which was a headwind to EM equity returns. Escalation in US-China trade tensions and later in the year, concerns over global growth, also weighed on risk appetite. The MSCI EM index decreased in value and underperformed the MSCI World index.

FUND FACTS

Underlying Sub-Fund	Schroder International Choice Portfolio - Schroder Emerging Markets Fund
Fund Manager	Schroder Investment Management (Singapore) Ltd
Launch Date	06 Nov 2006
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A

As at 31 Dec 2018

Offer Price	S\$ 1.21439
Bid Price	S\$ 1.15367
Fund Size	S\$ 28.63 mil
Units in Issue	24.81 mil

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

Chinese equities lost value as economic growth slowed by more than expected to 6.5% year-on-year in 3Q18. The authorities announced a range of targeted economic support measures, including a shift to fiscal stimulus and credit easing. Macroeconomic concerns were exacerbated by escalation in trade tensions with the US, which implemented tariffs on a total of \$250 billion of Chinese goods. This included a 25% tariff on \$50 billion of products, and a 10% tariff on a further \$200 billion of goods. The US also threatened to levy duty on the remaining \$267 billion of goods that China exports to the US. China responded with tariffs on \$110 billion of imports from the US. At the end of the period, the two sides agreed to a tentative truce, with the US delaying tariff hikes until 1 April. China has agreed to reverse tariff hikes on US car imports from 40% to 15% during this period. By contrast, Qatar was the strongest index market. Despite the blockade by regional countries, the market rallied sharply, amid ongoing government support. Russia recorded a small negative return but outperformed. This was despite the weakness of the Russian rouble as the central bank intervened to rebuild foreign exchange reserves. Crude oil price strength was supportive for much of the period, before selling-off sharply in 4Q18. Concern about pass-through inflation from currency weakness and an impending value added tax rise (which took effect in January 2019) prompted the central bank to hike interest rates to 7.75%, having eased policy in the first half of the year (1H18).

Market Outlook and Investment Strategy [^]

The near-term earnings outlook remains relatively uncertain and we may see further negative earnings revisions. However, aggregate EM valuation multiples partly account for this, with both price-book and price-earnings ratios at the lower end of their long-term ranges. Some uncertainties remain in relation to monetary policy normalisation, the trade dispute, Chinese stimulus and global growth, but valuations look relatively supportive. We expect the USD to depreciate in 2019, led by a closing growth differential to Europe and a pause or slowdown in the pace of US monetary tightening. The USD impacts financial conditions in EM and dollar depreciation is highly correlated with EM relative equity performance as it typically benefits local currencies and yields and eases pressure on EM central banks. One caveat is that US growth is expected to continue to slow into 2020 and if it slows more rapidly than expected, and the Fed response lags, global growth concerns may be a more dominant driver of EM performance. The outcome of US-China trade negotiations is difficult to predict. There are two dominant themes: the first relates to macroeconomic issues such as the US-China trade imbalance, market access and aspects of intellectual property transfer; the second relates to issues of strategic competition and US national security. Slowing US growth and weaker financial market performance could alter President Trump's appetite to negotiate a truce, though it remains to be seen whether this could be a permanent settlement, especially as the second issue of long-term strategic competition will persist. Even if a settlement on trade is reached, corporates may take account of ongoing tension in their investment plans and strategies for supply chain management.

[^] 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 Emerging Markets Equity Fund	(9.24)	(10.21)	(14.76)	22.14	13.65	83.80	21.44
Benchmark*	(7.79)	(8.61)	(12.96)	25.15	17.02	104.41	33.20

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Emerging Markets Equity Fund	6.89	2.59	6.28	1.62
Benchmark*	7.76	3.19	7.41	2.39

*MSCI Emerging Markets Index

[^]Inception Date: 21 Nov 2006

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Schroder International Choice Portfolio - Schroder Emerging Markets Fund	100.17	28.68
Other assets	0.03	0.01
Other liabilities	(0.20)	(0.06)
Total	100.00	28.63

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	1,408,719
Redemption	2,615,549

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Luxembourg	98.74	116.29
Other net assets/(liabilities)	1.26	1.49
Total	100.00	117.78

*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 (ISF), an open-ended investment company incorporated in Luxembourg).

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund*

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	98.74	116.29

Top Ten Holdings of Underlying Sub-Fund*

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	99.33	109.45

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

V Exposure to Derivatives **As at 31 Dec 2018**
N.A.

VI Borrowings of Net Asset Value **As at 31 Dec 2018**
N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Emerging Markets Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.99%	2.01%	1.94%	1.98%
			As at 31-Dec-18	As at 31-Dec-17
Turnover Ratio	6.96%	4.19%	0.00%	2.95%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Schroder International Choice Portfolio - Schroder Emerging Markets Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Schroder International Choice Portfolio - Schroder Emerging Markets Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

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

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

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 157.

**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.**

HSBC Insurance Ethical Global Equity Fund

Fund Objective

HSBC Insurance Ethical Global Equity Fund seeks to generate capital appreciation by way of a feeder fund, which invests substantially all or all its assets into the Franklin Templeton Shariah Funds – Templeton Shariah Global Equity Fund. The Underlying Sub-Fund invests principally in Shariah-compliant equity and equity-related securities including common stocks of companies located anywhere in the world, including emerging markets.

Investment and Market Review [^]

The Templeton Shariah Global Equity Fund returned -13.7% for the period, compared to -9.5% for the MSCI All Country World Islamic Index in USD terms. Key contributors were (1) stock selection in our overweight energy position and (2) stock selection in communication services. Detractors to fund performance were (1) stock selection in the Health Care sector, (2) stock selection in, and an underweight allocation to the US, (3) stock selection and an underweight position in the more defensive Consumer Staples sector. Notable names in energy that performed well were Kunlun, one of China's largest gas transmission and distribution companies. Shares performed well as the company announced solid first-half earnings, with profits beating expectations on higher margins in its gas distribution business. Going into 2019, we remain constructive on our more defensive positioning, but with oil prices falling back to levels on the cost curve historically associated with support, we have also begun using weakness to again search for bargains in more cyclical parts of the sector. Stock selection communication services were due to notable performer China Telecom. China Telecom is the largest fixed-line service and the third largest mobile telecommunication provider in China. China Telecom reported decent 3Q18 results amidst intense competition in China, helping to underpin the stock price. Turning to detractors, lagging stock selection in health care was partly due to China Medical Systems, Bayer, and Merck. Stock selection in the U.S. also hurt results, as marked by declines in the share prices of personal products company Coty, and pharma firm Perrigo.

Market Outlook and Investment Strategy [^]

The main headwinds for value since the global financial crisis relate to distortions caused by experimental central bank policies. Artificially low interest rates force investors out the risk curve in search of yield, fueling momentum and bidding up prices of growth-oriented stocks. Combining low interest rates with high expectations for future profits (the result of monetary stimulus, fiscal stimulus and leveraged corporate buybacks) perpetuates the overvaluation, as net present value is maximized when very high cash flows are discounted at very low rates. But, with rates near record lows and profit expectations near record highs, how much more juice can be squeezed from this fruit? The growing legion of central bankers beginning to attempt policy normalization marks an important inflection point in this regard. Their efforts may be checked periodically by volatile markets, but such a regime change, if successful, would likely lead to a more discriminating market conducive to fundamental price discovery. The implications for active value are promising, as we would expect what lagged in the period of experimentation to lead in the period of normalization. Encouragingly, value outperformed growth in the 4Q18 for the first time in two years, and international outperformed the U.S. for the first time in a year. We are confident that these efforts - combined with disciplined fundamental security analysis and potentially less distorted markets as policy normalizes - position the fund well for long-term investment success.

[^] Source: Templeton Asset Management Ltd.

FUND FACTS

Underlying Sub-Fund	Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund		
Fund Manager	Templeton Asset Management Ltd.		
Launch Date	29 Sep 1995		
CPFIS/SRS	OA/SRS		
CPFIS Risk Classification	Higher Risk – Broadly Diversified		
As at 31 Dec 2018			
Offer Price	S\$	1.29260	
Bid Price	S\$	1.22797	
Fund Size	S\$	45.72	mil
Units in Issue		37.23	mil

Note: 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.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	(14.75)	(13.64)	(12.13)	5.69	4.54	73.25	29.26
Benchmark*	(13.04)	(9.49)	(7.78)	15.25	26.42	117.73	N.A.**

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	1.86	0.89	5.65	1.11
Benchmark*	4.84	4.80	8.09	N.A.**

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

**The new benchmark MSCI AC World Islamic Index is not available when HSBC Insurance Ethical Global Equity Fund was inception

^AInception Date: 04 Oct 1995

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund	100.00	45.72
Total	100.00	45.72

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	528,472
Redemption	3,197,046

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
United States	15.34	16.43
Japan	13.98	14.97
Germany	11.33	12.13
United Kingdom	9.94	10.64
China	9.88	10.58
South Korea	6.26	6.70
France	4.97	5.32
Switzerland	4.48	4.80
Others*	17.09	18.31
Cash & Cash Equivalents	6.73	7.21
Total	100.00	107.09

*Includes other countries

II Allocation by Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Industry		
Health Care	25.03	26.82
Energy	19.93	21.34
Materials	10.44	11.18
Information Technology	9.60	10.28
Industrials	9.27	9.93
Communication Services	6.53	6.99
Consumer Staples	5.85	6.26
Consumer Discretionary	4.29	4.59
Utilities	2.33	2.49
Cash & Cash Equivalents	6.73	7.21
Total	100.00	107.09

III Allocation of Debt Securities by Credit Ratings	As at 31 Dec 2018
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Exxon Mobil Corp	5.04	5.40
Royal Dutch Shell Plc	4.04	4.33
BP Plc	3.62	3.88
Samsung Electronics Co Ltd	3.01	3.22
Roche Holding AG	2.27	2.43
Allergan Plc	2.14	2.29
Pfizer Inc	1.86	1.99
Bayer AG	1.85	1.98
Eni Spa	1.83	1.96
Sanofi	1.81	1.94

Top Ten Holdings of Underlying Sub-Fund	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Royal Dutch Shell Plc	3.21	3.86
Samsung Electronics Co Ltd	2.41	2.90
Tencent Holdings Ltd	2.29	2.75
BP Plc	2.27	2.73
Intel Corp	2.05	2.46
Telefonica Deutschland Holding AG	1.64	1.97
Bayer AG	1.58	1.90
Galp Energia Sgps SA	1.52	1.83
Eli Lilly & Co	1.51	1.82
Suncor Energy Inc	1.50	1.80

V Exposure to Derivatives	As at 31 Dec 2018
N.A.	

VI Borrowings of Net Asset Value	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Ethical Global Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.75%	1.72%	1.75%	1.75%
			As at 31-Oct-18***	As at 31-Oct-17****
Turnover Ratio	1.57%	1.06%	28.29%†	17.33%†

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 31 Dec 2018 is not available.

** Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 31 Dec 2017 is not available

*** Based on audited figure as at 31 Oct 2018 as the turnover ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 31 Dec 2018 is not available

**** Based on audited figure as at 31 Oct 2017 as the turnover ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 31 Dec 2017 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

N.A.

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 July 2018 to 31 December 2018, The Franklin Templeton Shariah Fund - Templeton Shariah Global Equity Fund paid US\$6,703 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 158.

**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.**

HSBC Insurance Ethical Global Sukuk Fund

Fund Objective

HSBC Insurance Ethical Global Sukuk Fund seeks to maximise, consistent with prudent investment management, total investment return, consisting of a combination of profit income and capital appreciation through the Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund.

FUND FACTS

Underlying Sub-Fund*	Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund
Fund Manager	Templeton Asset Management Ltd.
Launch Date	02 May 2002
CPFIS/SRS**	SRS
CPFIS Risk Classification	N.A.

Investment and Market Review ^

Fixed-income markets declined during the 3Q18 against a backdrop of international trade tensions and USD strength. However, the Sukuk market rose in the 3Q18, mainly driven by a tightening of spreads. For the quarter, the fund's A (acc) USD shares returned 0.99%, and its benchmark, the Dow Jones Sukuk Index, returned 1.01%. The portfolio benefitted from security selection, particularly in the sovereign sector, as long-dated Sukuk issued by Malaysia added to returns. Sukuk issued by Pakistan also contributed slightly. Conversely, currency effects detracted from relative returns, primarily due to exposure to the Malaysian ringgit and Indonesian rupiah. Asset allocation also detracted from returns, in part due to exposure to the Treasury sector amidst tightening spreads.

As at 31 Dec 2018

Offer Price	S\$ 1.16264
Bid Price	S\$ 1.10451
Fund Size	S\$ 14.55 mil
Units in Issue	13.17 mil

*Note: 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

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

Investment markets experienced a volatile 4Q18 as ongoing trade tensions and global growth concerns sent global equities substantially lower. Benchmark UST 10-year yields declined. The Sukuk market advanced overin the 4Q18, mainly driven by lower rates, while spreads widened. For the quarter, the fund's A (acc) USD shares returned -0.62%, and its benchmark, the Dow Jones Sukuk Index, returned 0.60%. Security selection in the corporate financials sector was the most significant detractor from performance, primarily due to a position in Bank Asya. Selection in the quasi-sovereign sector also weighed on relative performance due to Saudi Electricity Company. However, selection in the corporate industrials sector provided some offset, in part due to high-yield bonds from Dar Al-Arkan, Dana Gas and Virgin Mobile.

Market Outlook and Investment Strategy ^

Over the past few months of EM volatility, Gulf Cooperation Council (GCC) markets in particular have performed fairly well as the region benefitted from a growing investor base, and we expect it to continue to benefit from this trend. We believe that recent fiscal improvements in the finances of GCC countries—particularly on the back of higher oil prices—have started to show in the slower pace of sovereign issuance. For example, this was evident in the recent smaller-than-expected Sukuk issue by the Kingdom of Saudi Arabia. Demand for new issues also appears to be supportive. In recent months, JPMorgan confirmed that, in a phased process from 31 January, 2019, sovereign and quasi-sovereign issuers from the UAE, Saudi Arabia, Qatar, Bahrain and Kuwait will become eligible for inclusion in its widely followed EM indices. This news was well-received in the market as the region, which represents a significant proportion of EM debt, could see further investor inflows. We believe that the recent weaker-than-expected consumer and producer price index readings in the US are supportive of our view that the Fed is unlikely to surprise the market in the near future with a more hawkish bias. We also believe expectations regarding US growth are over-extended. At his recent speech at Jackson Hole, Wyoming, Fed Chairman Jerome Powell appeared to suggest a more measured approach going forward. If this is the case, it may prove to be a major relief for EM in the 4Q18. Sukuk markets such as Pakistan and Indonesia could be beneficiaries of such a scenario. We have a positive view on both countries as Pakistan is in a better position following the recent general election and has the potential of an International Monetary Fund (IMF) deal to bolster its position, and Indonesia has been actively raising rates.

^ 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 Ethical Global Sukuk Fund	(0.91)	0.32	(0.78)	(0.45)	15.13	43.67	16.26
Benchmark*	0.36	1.58	2.12	4.87	26.89	76.55	N.A.**

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Ethical Global Sukuk Fund	(0.15)	2.86	3.69	0.92
Benchmark*	1.60	4.88	5.85	N.A.**

*Dow Jones Sukuk Index. 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 is not available when HSBC Insurance Ethical Global Sukuk Fund was inceptioned.

^Inception Date: 01 Jul 2002

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018 % of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund	100.14	14.57
Other assets	0.14	0.02
Other liabilities	(0.28)	(0.04)
Total	100.00	14.55

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	66,374
Redemption	769,582

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

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
United Arab Emirates	27.32	53.21
Indonesia	17.41	33.91
Saudi Arabia	13.26	25.82
Malaysia	8.57	16.69
Qatar	6.60	12.86
Supranational	3.93	7.66
Kuwait	3.86	7.51
Oman	3.19	6.21
Others*	13.00	25.34
Cash & Cash Equivalents	2.86	5.58
Total	100.00	194.79

*Includes other countries

II Allocation by Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Industry		
Government-Related Sovereign	39.49	76.93
Corporate Financial Institutions	15.88	30.93
Corporate Industrials	15.41	30.02
Government-Related Agencies	14.25	27.76
Treasury	7.12	13.86
Government-Related Supranational	3.93	7.65
Corporate Utilities	1.06	2.06
Cash & Cash Equivalents	2.86	5.58
Total	100.00	194.79

III Allocation of Debt Securities by Credit Ratings	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Rating		
AAA	3.93	7.66
AA+	2.99	5.83
AA-	2.02	3.94
A+	5.87	11.43
A	10.26	19.98
A-	10.00	19.48
BBB+	7.43	14.48
BBB	24.97	48.64
BBB-	3.84	7.48
BB+	5.01	9.76
BB	1.21	2.36
BB-	2.34	4.56
Unrated	5.75	11.20
Others*	11.52	22.41
Cash & Cash Equivalents	2.86	5.58
Total	100.00	194.79

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28	5.76	11.21
KSA Sukuk Ltd., senior bond, Reg S, 3.628%, 4/20/27	3.90	7.59
Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 3/29/26	3.39	6.61
Malaysia Sukuk Global Bhd., Reg S, 4.08%, 4/27/46	3.08	6.00
Hong Kong Sukuk 2017 Ltd., senior note, Reg S, 3.132%, 2/28/27	2.99	5.83
IDB Trust Services Ltd.,	2.99	5.83
Equate Sukuk SPC Ltd., senior note, Reg S, 3.944%, 2/21/24	2.99	5.82
FGN Roads Sukuk Co. 1 PLC, senior note, 16.47%, 9/26/24	2.94	5.73
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 5/28/25	2.78	5.41
Nile Delta Sukuk Ltd., secured note, Reg S, FRN, 4.00%, 10/31/20	2.62	5.11

Top Ten Holdings of Underlying Sub-Fund	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 3/29/26	3.91	6.90
KSA Sukuk Ltd., senior bond, Reg S, 3.628%, 4/20/27	3.82	6.75
SoQ Sukuk A QSC, Reg S, 3.241%, 1/18/23	3.78	6.68
Oman Sovereign Sukuk SAOC, senior note, Reg S, 4.397%, 6/01/24	3.77	6.65
Equate Sukuk SPC Ltd., senior note, Reg S, 3.944%, 2/21/24	3.36	5.93
Hong Kong Sukuk 2017 Ltd., senior note, Reg S, 3.132%, 2/28/27	3.34	5.90
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 5/28/25	3.18	5.61
Malaysia Sukuk Global Bhd., Reg S, 4.08%, 4/27/46	3.13	5.53
Government of Malaysia, senior bond, 4.444%, 5/22/24	2.97	5.25
MAF Sukuk Ltd., 4.50%, Reg S, 11/03/25	2.85	5.03

V Exposure to Derivatives	As at 31 Dec 2018
N.A.	

VI Borrowings of Net Asset Value

As at 31 Dec 2018

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance Ethical Global Sukuk Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.55%	1.53%	1.50%	1.50%
			As at 31-Oct-18***	As at 31-Oct-17****
Turnover Ratio	5.36%	2.69%	21.05%†	58.62%†

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 31 Dec 2017 is not available.

*** Based on audited figure as at 31 Oct 2018 as the turnover ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 31 Dec 2018 is not available.

****Based on audited figure as at 31 Oct 2017 as the turnover ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 31 Dec 2017 is not available.

†Turnover ratio calculation is based on Luxembourg GAAP.

II Related-Party Transactions

Cash balances maintained with HSBC Bank as at 31 Dec 2018 amounts to S\$4,148.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 158.

**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.**

HSBC Insurance Europe Dynamic Equity Fund

Fund Objective

HSBC Insurance Europe Dynamic Equity seeks to maximise long-term capital growth by investing primarily in an aggressively managed portfolio of European companies. 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.

Investment and Market Review [^]

In a bruising 4Q18, European markets traded sharply lower, ending the quarter down in double-digit territory, leaving them down double-digit as well in the YTD. Having been negatively impacted earlier in the year by Italian political concerns, our overweight to Enel, the Italian electricity firm, was positive for relative returns over the period. The firm delivered 3Q18 results that were broadly in line with expectations, backed by an attractive dividend per share (DPS) policy, which served to drive the share price back up. Enel set a minimum DPS for its 2019-2021 strategic plan, which is designed to mitigate some of the country risk for investors. This should be further boosted by the European Commission giving the Italian budget plans a green light.

An overweight to Tele2, the Swedish telecommunications operator, was positive for relative returns in the period. The stock performed strongly after the proposed merger of its Dutch entity with Deutsche Telekom's Dutch entity received European Union (EU) antitrust approval. An overweight position in the Finnish paper mill company UPM-Kymmene detracted from returns over the quarter. The firm reported 3Q18 results that were below analysts' expectations. In addition, pulp prices in China are currently facing downward pressure: investors have grown concerned that this will mean European pulp producers have to lower their prices to remain competitive. An overweight in the pharmaceutical company Swedish Orphan Biovitrum was negative for returns during the period. The stock sold off after a peer received approval for a competitor drug; it then released 3Q18 numbers that were slightly behind expectations.

Market Outlook and Investment Strategy [^]

2018 has been a disappointing year, despite growth remaining above trend and corporate earnings growing once again. In 2019, growth looks set to remain above trend, and we will also have further clarity on three political issues that have dogged sentiment – Trump's trade war, the United Kingdom (UK)'s exit from the EU, and the Italian government. With earnings set to grow again, valuations look attractive, both in absolute terms and relative to bonds and cash.

Valuation spreads also look elevated, which is normally an environment in which value prospers as a style, and indeed we have seen the performance of value stabilise in the 2H18 after pronounced underperformance in the 1H18, while income as a style has been a leading performer in the 2H18. The market reaction to signs of the European Central Bank (ECB) starting to tighten policy will be interesting to watch, especially if it results in the euro starting to strengthen against the USD

[^] Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Europe Dynamic Fund
Fund Manager	J.P. Morgan Asset Management.
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk	N.A.
Classification	
As at 31 Dec 2018	
Offer Price	S\$ 1.14337
Bid Price	S\$ 1.08620
Fund Size	S\$ 31.10 mil
Units in Issue	28.63 mil

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	(14.36)	(14.45)	(14.30)	N.A.	N.A.	N.A.	8.62
Benchmark*	(10.71)	(9.24)	(8.90)	N.A.	N.A.	N.A.	21.84

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Europe Dynamic Equity Fund	N.A.	N.A.	N.A.	2.86
Benchmark*	N.A.	N.A.	N.A.	6.97

*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 2018 % of NAV	MV S\$ mil
JPMorgan Funds – Europe Dynamic Fund	100.06	31.12
Other assets	0.16	0.05
Other liabilities	(0.22)	(0.07)
Total	100.00	31.10

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)
S\$

Subscription	4,337,748
Redemption	5,268,822

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

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
France	19.60	280.04
Switzerland	18.90	270.04
United Kingdom	18.60	265.76
Germany	9.30	132.88
Netherlands	7.90	112.87
Italy	5.00	71.44
Spain	4.00	57.15
Others*	14.40	205.75
Net Liquidity	2.30	32.86
Total	100.00	1,428.79

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018 % of NAV	MV S\$ mil
Health Care	16.80	240.04
Financials	16.80	240.04
Industrials	13.60	194.32
Energy	10.00	142.88
Communication Services	8.30	118.59
Consumer Discretionary	7.90	112.87
Consumer Staples	7.60	108.59
Others*	16.70	238.60
Net Liquidity	2.30	32.86
Total	100.00	1,428.79

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

N.A.

As at 31 Dec 2018

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Roche	5.24	74.73
Novartis	4.47	63.86
Nestle	4.42	63.19
Allianz	2.92	41.73
GlaxoSmithKline	2.78	39.75
Rio Tinto	2.53	36.17
Neste	2.49	35.62
Zurich Insurance	2.48	35.46
Enel	2.36	33.76
Repsol	2.25	32.08

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Novartis	4.51	112.79
Allianz	3.64	91.03
Vinci	3.06	76.53
Covestro	2.93	73.28
Engie	2.86	71.53
BASF	2.58	64.52
ING	2.56	64.02
Novo Nordisk	2.43	60.77
STMicroelectronics	2.34	58.52
Partners	2.33	58.27

V Exposure to Derivatives

	As at 30 Jun 2018†
% of NAV	0.12%
Market value (EUR)	1,843,487
Realised Gains / (Losses) (EUR)	-
Unrealised Gains / (Losses) (EUR)	1,843,487

† Based on audited figures as at 30 Jun 2018 as the unaudited figures as at 31 Dec 2018 are not available. Amount shown is based on Underlying Sub-Fund based currency.

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Jun-18*	As at 30-Sep-17**
Expense Ratio	1.85%	1.78%	1.80%	1.80%
Turnover Ratio	17.26%	12.57%	146.08%	182.17%

*Based on audited figure as at 30 Jun 2018 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund for the financial year ended 31 Dec 2017 are not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 158.

**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.**

HSBC Insurance Global Bond Fund

Fund Objective

HSBC Insurance Global Bond Fund seeks to maximize 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. 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.

Investment and Market Review ^

Global DM market bond yields fell, with USTs

as negative risk sentiment resulted in the sharp repricing of a number of asset classes and a flight to safety by investors. Against a backdrop of mounting concern over continued trade tensions between the US and China, and expectations for US economic growth moderation, the Fed hiked interest rates by 25 bps for the fourth time this year. The ECB left interest rates unchanged but announced the end of net asset purchases, as had been flagged during recent months, indicating that reinvestments will continue well beyond the first rate hike. Spreads across the investment-grade and high-yield corporate credit space continued to widen on the back of continued equity market volatility, corporate-related idiosyncratic risks and ongoing trade tensions. EM performance was mixed on the combination of the broader "risk-off" environment, a weaker USD and lower oil prices.

Market Outlook and Investment Strategy ^

In the US, we expect slower growth in 2019 as some of the fortuitous factors recently boosting growth begin to fade. We think the claims of runaway growth are exaggerated and that we will likely see more modest performance in 2019, along with continued low inflation. Accordingly, we retain a long US duration bias which we also believe remains an effective hedge against risk exposures in global portfolios.

In Europe, we remain underweight 10-year German duration on our view that European data will stabilize as we move into 2019, led predominantly by domestic consumption and investment. An improving economy, emerging wage and capacity concerns, combined with very supportive monetary conditions, should support inflation moving back to the ECB's target. Under this scenario we expect steeper curves and higher German yields towards year-end. We think firmer ECB forward guidance is supportive for short-dated carry trades, which supports our decision to retain a modest overweight to Italian bonds.

EM issuers have underperformed on global growth fears with a number of isolated stories further contributing to weakness. Over the longer term, we remain constructive on select EM sovereign issues given steady EM growth, improved external accounts, proactive central banks and prudent fiscal policy. We believe EM secondary market valuations are attractive on a historical basis and relative to other spread sectors.

^ Source: Legg Mason Asset Management Singapore Pte. Limited

FUND FACTS

Underlying Fund	Legg Mason Western Asset Global Bond Trust
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 Dec 2018	
Offer Price	S\$ 1.21855
Bid Price	S\$ 1.15762
Fund Size	S\$ 8.51 mil
Units in Issue	7.35 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 Bond Fund	1.48	0.45	(0.24)	2.01	12.97	16.54	21.85
Benchmark*	2.17	1.45	1.65	7.22	20.23	27.39	31.23

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Bond Fund	0.66	2.47	1.54	1.95
Benchmark*	2.35	3.75	2.45	2.69

*Citigroup World Government Bond Index ex-Japan (hedged to S\$)

^Inception Date: 09 Oct 2008

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Legg Mason Western Asset Global Bond Trust	100.00	8.51
Total	100.00	8.51

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	383,046
Redemption	1,257,539

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
USA	48.27	192.71
Italy	10.52	42.00
France	8.07	32.22
Spain	5.80	23.14
Mexico	4.18	16.70
Great Britain	3.80	15.16
Germany	3.48	13.89
Belgium	2.32	9.26
Others*	6.24	24.96
Cash	7.32	29.22
Total	100.00	399.26

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Government	91.79	366.49
Financials	0.85	3.40
Others*	0.04	0.15
Cash	7.32	29.22
Total	100.00	399.26

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

	As at 31 Dec 2018	
Rating	% of NAV	MV S\$ mil
Aaa	6.59	26.32
AA+	48.26	192.68
Aa2	11.87	47.39
Aa3	2.32	9.26
A	2.29	9.16
A2	0.84	3.35
BBB+	4.18	16.70
Baa1	5.80	23.14
Baa3	10.52	42.00
Unrated	0.01	0.04
Cash	7.32	29.22
Total	100.00	399.26

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
US Treasury Bond 1.750% 31/03/2022	7.60	30.39
US Treasury Bond 2.875% 30/04/2025	6.97	27.81
US treasury Bond 1.625% 15/11/2022	6.44	25.70
Frاندce (Govt of) (Reg S) 0.25% 25/11/2026	5.22	20.85
US treasury Bond 4.5% 15/08/2039	4.62	18.43
Buoni Poliennali Del Tes (BR) 1.45% 15/09/2022	3.99	15.92
US Treasury Bond 2.125% 29/02/2024	3.79	15.14
US Treasury Bond 2.875% 15/05/2043	3.28	13.10
US Treasury Bond 2% 31/10/2022	3.03	12.08
US Treasury Bond 4.25% 07/12/2040	3.02	12.05

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
US Treasury Bond 1.5% 31/12/2018	9.19	34.00
Buoni Poliennali Del Tes 1.45% 15/09/2022	5.82	21.54
France (Govt of) (Reg S) 0.25% 25/11/2016	5.74	21.23
US Treasury Bond 4.5% 15/08/2039	5.11	18.92
US Treasury Bond 2.125% 29/02/2024	4.05	14.98
Japan (Govt of) CPI Linked Ser 16 1.4% 10/06/2018	3.88	14.37
Poland Government Bond Ser 726 2.5% 25/07/2026	3.71	13.74
US Treasury Bond 2.875% 15/05/2043	3.65	13.50
UK Treasury 4.25% 07/12/2040	3.45	12.78
Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042	3.37	12.47

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	0.04%
Market value (S\$)	147,097
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	147,097

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Bond Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	0.94%	0.93%	0.85%	0.89%
Turnover Ratio	10.58%	12.02%	As at 31-Dec-18 28.30%	As at 31-Dec-17 45.84%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 159.

**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.**

HSBC Insurance Global Emerging Markets Bond Fund

Fund Objective

HSBC Insurance Global Emerging Markets Bond Fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in emerging markets around the world, primarily denominated in USD, or which are issued or guaranteed by governments, government agencies and supranational bodies of emerging markets. 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 Emerging Markets Bond.

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Emerging Markets Bond	
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Launch Date	28 Jan 2013	
CPFIS/SRS	SRS	
CPFIS Risk Classification	N.A.	
As at 31 Dec 2018		
Offer Price	S\$	1.01844
Bid Price	S\$	0.96752
Fund Size	S\$	1.99 mil
Units in Issue		2.05 mil

Investment and Market Review [^]

EMs hard currency assets saw positive performance in the 2H18, as shifting growth and rate expectations in the US saw a meaningful fall in UST yields towards the end of the year. However, heightened market volatility continued to push investors towards safer havens and spread levels, particularly within the high yield segment, widened significantly.

In this environment, the underweight to higher quality countries, with greater sensitivity to USTs including China, the Philippines, Malaysia, Hungary and Poland detracted from performance. The overweight to Oman also dragged on returns as a fall in oil prices had an exacerbated effect on spreads. However, these losses were partially offset by duration overweights in mid-beta countries including Indonesia, South Africa and Romania, which outperformed in December. Within high yield, the largest detractors were the overweights to Argentina and Turkey. In Argentina, spreads widened following a rapid depreciation in the peso prompting IMF support, central bank rate hikes to 60.00% and the introduction of stringent fiscal targets, pushing the country towards a likely recession. In Turkey, high inflation, deteriorating current account and US sanctions started a reversal of risk sentiment and sharp sell-off in Turkish assets. Finally, the off-benchmark exposure to the Colombian peso detracted given the fall in global oil prices, while the allocation to commodity-related corporates also dragged on returns. However, these losses were partially offset by relative outperformance of the portfolio's cash holdings over the period.

Market Outlook and Investment Strategy [^]

The global growth outlook for 2019 has shifted gears, still growing, but at a slower pace. Yet, we believe the impact of slower DMs growth will be less pronounced on EM Debts (EMD) assets. The re-pricing of risk assets through most of 2018 resulted in more attractive risk premia while the yield differential to DMs debt remains compelling. At the same time, risks from rising UST and USD strength have abated as US growth moderates.

2019 will still present challenges as volatility has returned to markets. Idiosyncratic factors will certainly play their part with a heavy EM election calendar (e.g., Argentina, South Africa, India and Indonesia) and a continuation of geopolitical tensions in the Middle East. In terms of macro-risks, the recent pause in US/China tariffs does hold some upside potential, but a meaningful escalation in tensions could weigh on both global trade activity and, most importantly, investor sentiment. Therefore, developments will need to be closely monitored.

In this type of environment, our aim as active investors is to dynamically position our portfolios, retaining sufficient liquidity within the portfolios to be able to take advantage of bouts of idiosyncratic volatility while mitigating risks from what will continue to be a challenging macro-economic backdrop.

[^] 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 Emerging Markets Bond Fund*	(2.80)	(1.45)	(8.63)	4.93	9.38	N.A.	1.84

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund*	1.62	1.81	N.A.	0.31

*This fund has no benchmark.

[^]Inception Date: 06 Feb 2013

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Emerging Markets Bond	99.50	1.98
Other assets	0.50	0.01
Total	100.00	1.99

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)
S\$

Subscription	317,125
Redemption	451,658

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global Emerging Markets Bond)

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
Indonesia	10.82	500.73
Turkey	9.46	437.57
Mexico	8.26	382.25
Argentina	8.20	379.57
Russian Federation	5.37	248.65
China	5.04	233.25
Egypt	3.83	177.28
Colombia	3.66	169.21
Peru	3.60	166.70
Others*	41.76	1,931.50
Total	100.00	4,626.71

*Includes other countries

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Sovereign (Hard Ccy)	60.12	2,781.95
Quasi (Hard Ccy)	24.73	1,144.16
Corporate (Hard Ccy)	10.22	472.73
Local FX	0.92	42.39
Local Sovereign Bonds	0.24	10.92
Cash	3.77	174.56
Total	100.00	4,626.71

III Allocation of Debt Securities by Credit Ratings

	As at 31 Dec 2018	
Ratings	% of NAV	MV S\$ mil
AAA	1.87	86.39
AA	(6.07)	(280.62)
AA-	0.86	39.92
A+	6.07	280.88
A	0.62	28.78
A-	3.94	182.32
BBB+	7.53	348.39
BBB	15.56	719.95
BBB-	20.51	948.89
BB+	2.40	110.97
BB	11.33	524.07
BB-	4.57	211.46
B+	3.58	165.69
B	19.55	904.53
Others*	7.68	355.09
Total	100.00	4,626.71

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Argentina (Republic of) 5.875 01/11/2028	2.04	94.06
Argentina (Republic of) 6.875 01/26/2027	1.68	77.91
Petroleos Mexicanos 4.500 01/23/2026	1.35	62.52
Southern Copper Corp 5.875 04/23/2045	1.21	55.88
Petroleos Mexicanos 6.500 01/23/2029	1.19	55.22
Republic of Indonesia 5.250 01/17/2042	1.14	52.83
Kazmunaigaz Finance Sub 6.375 10/24/2048	1.14	52.79
Pemix Proj FDG Master TR-Globa 6.625 06/15/2035	1.11	51.15
Gabonese Republic 6.375 12/12/2024	1.09	50.44
Egypt (Arab Republic of) 6.588 02/21/2028	1.08	50.07

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Argentina (Republic of) 7.500 04/22/2026	2.49	150.68
Colombia (Republic of) 3.875 04/25/2027	2.07	125.40
Argentina (Republic of) 6.875 01/26/2027	1.73	105.35
Russia Global 4.875 09/16/2023	1.64	99.39
Turkey (Republic of) 4.875 10/09/2026	1.63	98.83
Petroleos Mexicanos 4.500 01/23/2026	1.44	87.51
Argentina (Republic of) 7.625 04/22/2046	1.35	82.20
Dominican Republic 6.875 01/29/2026	1.22	74.24
Argentina (Republic of) 6.875 04/22/2021	1.20	72.79
Ukraine (Republic of) 7.750 09/01/2027	1.16	70.70

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	(0.61%)
Market value (S\$)	(28,411,450)
Realised Gains / (Losses) (S\$)	(123,501,592)
Unrealised Gains / (Losses) (S\$)	(13,514,148)

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I) Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Bond Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.70%	1.67%	1.66%	1.64%
Turnover Ratio	29.54%	4.41%	84.40%	56.66%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance Global Emerging Markets Bond invests S\$1.98 million, equivalent to 99.50% of its net asset value in HSBC Global Investment Funds – Global Emerging Markets Bond, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 31 December 2018 amounts to S\$5,909.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 159.

**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.**

HSBC Insurance Global Emerging Markets Equity Fund

Fund Objective

HSBC Insurance Global Emerging Markets Equity Fund seeks to provide long-term capital growth by investing primarily in emerging market companies. 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.

Investment and Market Review [^]

December marked the worst end to the year for global equity markets since 1988, to end the year down in negative double digit territory. DMs collapsed, led by the US as it succumbed to the simultaneous threats of slowing global growth and shrinking liquidity after months of decoupled outperformance. The JPM Emerging Markets Equity Fund underperformed the benchmark in December, with country allocation detracting from returns while stock selection was neutral.

Overweight exposure to Argentina, the result of stock selection, hindered performance. Our position in MercadoLibre (MELI), a leading Latin American e-commerce company, was the main driver of underperformance. MELI is listed on the NASDAQ and the stock sold-off in concert with other U.S. equities as weakening global economic data and concerns over further Fed hikes pushed markets lower and volatility higher. Stock selection in Korea was a headwind in December. NCsoft, a video game developer, underperformed following strong outperformance in November. Chinese regulators banned one of their titles, Blade & Soul, in mid-December, prompting concerns that the embargo could hinder results. Portfolio activity was limited in December, in-line with our long term investment focus. We have maintained exposure to companies with sustainable competitive advantages, consistent cash flow generation, and strong management teams. This has worked well for the portfolio over the long-term and we remain confident that it is the right strategy to pursue in current market conditions.

Market Outlook and Investment Strategy [^]

While risk to the relative story for EM vs. DM remains elevated at present, we believe valuations suggest much has been priced in. We continue to advocate taking a long-term view on the growth opportunity and use periods of weakness to build exposure, particularly for clients underweight relative to an all-country world index. We continue to believe that US economic fundamentals do not support further dollar strength, and a dollar pullback would support risk taking in general and a rebound in EM's relative performance. The fund uses our comprehensive research platform to identify high quality businesses that compound earnings sustainably over long periods, resulting in a long-term, high conviction portfolio with a quality and growth bias.

[^] Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Emerging Markets Equity Fund
Fund Manager	J.P. Morgan Asset Management.
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk	N.A.
Classification	
As at 31 Dec 2018	
Offer Price	S\$ 1.46672
Bid Price	S\$ 1.39338
Fund Size	S\$ 5.61 mil
Units in Issue	4.03 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund	(6.55)	(9.71)	(14.47)	N.A.	N.A.	N.A.	39.34
Benchmark*	(7.69)	(8.51)	(12.87)	N.A.	N.A.	N.A.	37.23

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund	N.A.	N.A.	N.A.	12.24
Benchmark*	N.A.	N.A.	N.A.	11.64

*MSCI Emerging Markets Index (Total Return Net)

^AInception Date: 16 Feb 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
JPMorgan Funds – Emerging Markets Equity Fund	100.00	5.61
Total	100.00	5.61

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	2,482,732
Redemption	100,112

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
China	34.30	2,905.37
India	18.90	1,600.92
Brazil	8.90	753.87
Taiwan	6.90	584.46
South Korea	6.00	508.23
South Africa	5.80	491.29
Mexico	3.30	279.53
Russia	2.90	245.64
Others*	11.50	974.09
Net Liquidity	1.50	127.06
Total	100.00	8,470.46

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Financials	39.40	3,337.36
Consumer Discretionary	20.10	1,702.56
Information Technology	13.10	1,109.63
Consumer Staples	9.80	830.11
Communication Services	8.80	745.40
Industrials	3.60	304.94
Materials	1.90	160.94
Others*	1.80	152.46
Net Liquidity	1.50	127.06
Total	100.00	8,470.46

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

N.A.

As at 31 Dec 2018

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Tencent	6.00	507.95
AIA	5.35	452.98
Housing Development Finance	5.19	439.27
Taiwan Semiconductor Manufacturing Company	4.86	411.97
Alibaba	4.83	408.93
HDFC Bank	4.82	408.58
Samsung Electronics	4.31	365.48
Ping An Insurance	4.12	349.08
Sberbank of Russia	2.87	242.76
Itau Unibanco	1.90	161.24

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Tencent	7.07	625.45
Alibaba	4.96	438.79
Samsung Electronics	4.55	402.52
Taiwan Semiconductor Manufacturing Company	4.52	399.86
AIA	4.16	368.01
HDFC Bank	4.13	365.36
Ping An Insurance	3.83	338.82
Sberbank of Russia OJSC	3.73	329.97
Housing Development Finance	3.68	325.55
Tata Consultancy Services	2.26	199.93

V Exposure to Derivatives

	As at 30 Jun 2018†
% of NAV	(0.04%)
Market value (USD)	(3,033,747)
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	(3,033,747)

† Based on audited figures as at 30 Jun 2018 as the unaudited figures as at 31 Dec 2018 are not available. Amount shown is based on Underlying Sub-Fund based currency.

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Jun-18*	As at 30-Sep-17**
Expense Ratio	1.84%	1.82%	1.80%	1.80%
Turnover Ratio	4.71%	0.45%	15.47%	25.25%

*Based on audited figure as at 30 Jun 2018 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 17 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund for the financial year ended 31 Dec 2017 are not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 159.

**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.**

HSBC Insurance Global Equity Fund

Fund Objective

HSBC Insurance Global Equity Fund seeks to achieve long-term growth of capital by investing in a portfolio of equity securities. 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.

Investment and Market Review [^]

Global equities ended the year sharply lower, as signs of an economic slowdown, changing monetary policy, fears of inflation and worries about increased regulation weighed on sentiment. Parts of the US yield curve inverted at the beginning of December, further exacerbating fears of slowing global growth.

The MSCI World Index ended the year down 8.71% in USD terms. Uncertainty in the euro area, including Britain exit (Brexit's) impact on the United Kingdom (UK) and Europe along with Italian budget issues, also shook investor sentiment. In China, an economic slowdown hit markets already rattled by trade disputes. Ems were also negative, but outperformed their developed peers. In the US, markets fell amid rising interest rates and shifting political tides as a Democratic majority prepared to take control of the US House of Representatives in January. The Fed again raised the target range for its benchmark funds rate, marking the fourth increase for 2018. However, the central bank softened its tone and lowered its projection for hikes in 2019.

Market Outlook and Investment Strategy [^]

Despite an increase in market volatility in 2018 relative to more recent years, corporate profit growth remains strong. However, geopolitical concerns cloud the outlook for Europe and China. Even though the US and China declared a 90-day truce on additional tariffs, the market remains skeptical that a lasting agreement is within reach. Uncertainty about trade prospects is showing up across sectors globally. Due to signs in Europe that the Italian economy is likely to slow sharply in the euro area, we've reduced our 2019 euro-area growth forecast. The ECB has announced plans to phase out its net asset purchases. We still expect interest rates to rise next year, but softer growth means that this is likely to be a very gradual process. The environment for EM assets was challenging in 2018 and is likely to remain complex in 2019. However, valuations are historically low, and any positive news can cause the markets to rally. Our balanced style approach helps our Portfolio perform well across a variety of economic environments and provides a more consistent premium. Across our equity services, we believe that an active investment approach with differentiated research and high conviction can achieve superior longterm results, even if volatility remains elevated through the year.

[^] Source: AllianceBernstein (Luxembourg) S.à r.l.

FUND FACTS

Underlying Fund

AllianceBernstein- Global
Equity Blend Portfolio
AllianceBernstein
(Luxembourg) S.à r.l.

Fund Manager

Launch Date

06 Oct 2008

CPFIS/SRS*

SRS

CPFIS Risk

N.A.

Classification

As at 31 Dec 2018

Offer Price

S\$ 1.53382

Bid Price

S\$ 1.45713

Fund Size

S\$ 66.38 mil

Units in Issue

45.55 mil

*Note: With effect from 31 Aug 2016, 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 Global Equity Fund	(14.65)	(11.76)	(12.16)	8.57	23.82	80.55	53.38
Benchmark*	(13.63)	(9.14)	(6.89)	15.42	34.90	138.03	123.09 [^]

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	2.78	4.37	6.09	4.28
Benchmark*	4.90	6.17	9.06	8.21 [^]

*MSCI World Net Index (in S\$)

[^]Performance of the benchmark is measured from closest month-end after inception through 31 December 2018

[^]Inception Date: 16 Oct 2008

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
AllianceBernstein - Global Equity Blend Portfolio, S1 class	100.09	66.44
Other assets	0.05	0.03
Other liabilities	(0.14)	(0.09)
Total	100.00	66.38

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	1,657,294
Redemption	5,170,916

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
United States	48.02	68.41
Japan	6.80	9.69
China	4.70	6.69
United Kingdom	4.66	6.64
Germany	4.13	5.88
France	4.02	5.73
India	3.56	5.07
Switzerland	3.26	4.64
Ireland	2.61	3.72
Others*	18.24	25.99
Total	100.00	142.46

*Includes other countries and other assets less liabilities

II Allocation by Industry		As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil	
Financials	17.16	24.44	
Health Care	14.77	21.04	
Information Technology	13.81	19.67	
Industrials	11.69	16.66	
Consumer Discretionary	11.28	16.07	
Consumer Staples	7.84	11.17	
Materials	5.59	7.97	
Communication Services	5.45	7.77	
Energy	3.87	5.51	
Utilities	3.47	4.95	
Real Estate	2.07	2.95	
Others*	3.00	4.26	
Total	100.00	142.46	
*Includes other assets less liabilities			
III Allocation of Debt Securities by Credit Ratings		As at 31 Dec 2018	
N.A.			
IV Top Ten Holdings of Underlying Sub-Fund		As at 31 Dec 2018	
	% of NAV	MV S\$ mil	
Apple, Inc.	1.60	2.27	
Microsoft Corp.	1.51	2.15	
Hexcel Corp.	1.29	1.84	
MSCI, Inc. - Class A	1.28	1.83	
Visa, Inc. - Class A	1.27	1.81	
Xylem, Inc./NY	1.24	1.77	
American Water Works Co., Inc.	1.23	1.75	
Unicharm Corp.	1.20	1.71	
Ecolab, Inc.	1.14	1.62	
Vestas Wind Systems A/S	1.12	1.59	
Top Ten Holdings of Underlying Sub-Fund		As at 31 Dec 2017	
	% of NAV	MV S\$ mil	
Apple, Inc.	1.34	2.51	
ICON PLC	1.23	2.31	
MSCI, Inc. - Class A	1.19	2.24	
American Water Works Co., Inc.	1.17	2.20	
Kingspan Group PLC (London)	1.17	2.19	
Housing Development Finance Corp., Ltd.	1.15	2.16	
Hexcel Corp.	1.12	2.11	
Abbott Laboratories	1.10	2.06	
Tyson Foods, Inc. - Class A	1.05	1.97	
Apollo Hospitals Enterprise Ltd.	1.04	1.95	
V Exposure to Derivatives		As at 31 Dec 2018	
% of NAV		(0.10%)	
Market value (S\$)		(147,367.08)	
Realised Gains / (Losses) (S\$)		-	
Unrealised Gains / (Losses) (S\$)		(147,367.15)	
VI Borrowings of Net Asset Value		As at 31 Dec 2018	
Use of borrowing in % of Fund Total Net Asset		0.21%	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 31-Aug-18*	As at 31-Aug-17**
Expense Ratio	1.75%	1.72%	0.80%	0.79%
Turnover Ratio	4.18%	1.87%	44.75%	63.36%

*Based on audited figures as at 31 Aug 2018 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 31 Dec 2018 is not available.

**Based on audited figures as at 31 Aug 2017 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement

For the period ended 31 December 2018, 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 160.

**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.**

HSBC Insurance Global Equity Portfolio Fund

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of developed market equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, developed markets such as OECD countries. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

Investment and Market Review ^

Global equity market declined in 2018 amid concerns including the slower global economic growth, the US Fed raising interest rates too quickly, the Brexit impasse and other geo-political risks. On a 6-month basis, the fund slightly underperformed its market cap weighed index. While our asset allocation weighed on performance, our stock selection contributed to performance.

On a sector basis, our overweight allocations to Utilities and Consumer Staples coupled with an underweight exposure to Energy contributed to performance. Conversely, our underweight allocations to Health Care and Real Estate coupled with an overweight exposure to Industrials weighed on performance. On a country basis, an underweight allocation to Canada coupled with our overweight exposures to Singapore and Hong Kong contributed to performance. Conversely, our overweight allocations to Germany and Japan coupled with an underweight exposure to US weighed on performance. At the stock level, underweighting Facebook Inc. (Communication Services, USA), Apple Inc. (IT, USA) and Amazon.com Inc. (Consumer Discretionary, USA) contributed to performance. Conversely, overweighting General Electric (Industrials, USA), Royal Dutch (Energy, UK) and Apache Corp. (Energy, USA) weighed on performance.

Market Outlook and Investment Strategy ^

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profits cycle. We believe global equities still offer attractive rewards amid the risks to the growth outlook, whilst corporate fundamentals remain strong. From risk perspective episodic volatility may be triggered by concerns on global trade tensions, Chinese growth and or DMs central bank policy normalisation, coupled with political risks.

^ Source: HSBC Global Asset Management (HK) Limited

FUND FACTS

Underlying Sub-Fund

HSBC Global Investment Funds – Economic Scale Global Equity Fund
HSBC Global Asset Management (Singapore) Limited

Fund Manager

Launch Date

18 Jan 2016

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 31 Dec 2018

Offer Price

S\$ 1.23914

Bid Price

S\$ 1.17718

Fund Size

S\$ 7.03 mil

Units in Issue

5.97 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 Equity Portfolio Fund	(13.81)	(11.03)	(11.16)	N.A.	N.A.	N.A.	17.72
Benchmark*	(14.05)	(9.58)	(7.35)	N.A.	N.A.	N.A.	26.58

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Portfolio Fund	N.A.	N.A.	N.A.	5.84
Benchmark*	N.A.	N.A.	N.A.	8.43

*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

From October 2017 onwards - MSCI World Net

^Inception Date: 02 Feb 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018 % of NAV	MV S\$ mil
HSBC Global Investment Funds - Economic Scale Global Equity Fund	100.00	7.03
Total	100.00	7.03

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	2,200,045
Redemption	222,283

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

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
United States	43.86	85.54
Japan	12.62	24.61
United Kingdom	8.14	15.87
France	6.88	13.41
Germany	6.26	12.21
Canada	2.59	5.06
Switzerland	2.49	4.86
Spain	2.19	4.27
Others*	13.09	25.54
Cash	1.88	3.66
Total	100.00	195.03

*Includes other countries

II Allocation by Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Industry		
Financials	16.64	32.46
Industrials	16.52	32.21
Consumer Discretionary	12.50	24.38
Consumer Staples	9.98	19.46
Communication Services	8.59	16.76
Information Technology	8.52	16.62
Health Care	8.10	15.80
Energy	5.86	11.42
Materials	5.47	10.66
Utilities	4.37	8.53
Real Estate	1.57	3.07
Cash	1.88	3.66
Total	100.00	195.03

III Allocation of Debt Securities by Credit Ratings	As at 31 Dec 2018
N.A.	

IV Top Ten Holdings of Underlying Sub- Fund	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Walmart INC	1.68	3.30
General Electric Co	1.05	2.05
Royal Dutch Shell PLC	0.79	1.54
Wells Fargo & Co	0.76	1.49
Apple Inc	0.75	1.46
AT&T Inc	0.74	1.45
JP Morgan Chase & Co	0.70	1.36
Volkswagen AG	0.68	1.32
Nippon Telegraph & Tel Corp	0.61	1.18
Bank of America Corp	0.61	1.18

Top Ten Holdings of Underlying Sub-Fund	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Wal-Mart Stores Inc	1.82	4.19
General Electric Co	1.10	2.54
AT&T Inc	0.91	2.11
Exxon Mobil Corp	0.82	1.90
Volkswagen AG	0.81	1.86
Royal Dutch Shell PLC	0.78	1.81
Wells Fargo & Co	0.73	1.68
Apple Inc	0.68	1.56
JP Morgan Chase & Co	0.67	1.54
Bank of America Corp	0.59	1.37

V Exposure to Derivatives	As at 31 Dec 2018
% of NAV	0.11%
Market value (S\$)	223,304
Realised Gains / (Losses) (S\$)	(181,268)
Unrealised Gains / (Losses) (S\$)	(134,990)

VI Borrowings of Net Asset Value	As at 31 Dec 2018
Use of borrowing in % of Fund Total Net Asset	(0.02%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Portfolio Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	0.99%	0.98%	0.95%	0.95%
Turnover Ratio	3.05%	0.39%	As at 31-Dec-18 39.55%	As at 31-Dec-17 48.46%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

HSBC Insurance Global Equity Portfolio Fund S\$7.03 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Economic Scale Global 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 2018 to 31 December 2018 amounts to S\$10,405.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 160.

**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.**

HSBC Insurance Global Equity Volatility Focused Fund

Fund Objective

HSBC Insurance Global Equity Volatility Focused Fund aims to provide long term total return by investing in a portfolio of equities worldwide. The Fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. It may also invest in eligible closed-ended Real Estate Investment Trusts ("REITS"). Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment – Global Equity Volatility Focused.

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 Dec 2018

Offer Price

S\$ 1.14141

Bid Price

S\$ 1.08434

Fund Size

S\$ 6.07 mil

Units in Issue

5.60 mil

Investment and Market Review [^]

The 2H18 saw global equity markets deliver negative returns, however, the period started positively as upbeat corporate earnings results and economic data releases outweighed lingering global trade concerns. The following months saw the market fall sharply, a result of a sell-off in US equities as strong economic data, rising wage growth and market expectations of higher interest rates, led to higher long-term treasury yields, thus increasing their appeal relative to equities. The period concluded with further negative movement on the back of global economic growth concerns and lingering trade tensions. The fund outperformed the index over the period.

Contributors to relative performance included Guangdong Investment, an infrastructure investment company that held up well in the down market given its defensive characteristics. Additionally, IQVIA Holdings advanced after the company reported a solid 3Q18, driven by strong bookings, and raised guidance, both of which are indicative of the merger thesis playing out.

Partially offsetting this was BAE Systems, which fell after the company was downgraded by analysts citing risks to civil aviation in the near-term, namely oil prices, trade wars, currencies and potential overcapacity. Furthermore, Capgemini saw its share price slide after issuing guidance that implied a lower like-for-like growth in 2H18.

Sector and country allocation, residual to stock selection, was mixed for the period. Country allocation detracted thanks to an underweight exposure to Brazil and overweight UK, whilst sector allocation contributed given an underweight exposure to Communication Services.

Market Outlook and Investment Strategy [^]

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profit cycle. Global economic growth momentum remains solid, driving global equity markets to deliver positive returns over the long term. Overall, support from still loose monetary policy and fiscal policy may, in the medium and longer term, outweigh any headwinds from more modest Chinese growth, trade tensions, and political uncertainty in many regions.

While volatility appears benign, investors should not be complacent. Fairly narrow implied equity premia (excess return over cash) limit the ability of the market to absorb bad news. Episodic volatility may be triggered by concerns surrounding global trade protectionism, Chinese growth, and/or a potentially more rapid than expected Fed, ECB or Bank of Japan (BOJ) normalisation of policy, coupled with political risks. A notable and persistent deterioration of the global economic outlook could also dampen our view.

[^] 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*	(13.78)	(9.65)	(10.63)	N.A.	N.A.	N.A.	8.43

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund *	N.A.	N.A.	N.A.	2.82

*This fund has no benchmark.

[^]Inception Date: 01 Feb 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Equity Volatility Focused	100.00	6.07
Total	100.00	6.07

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	417,706
Redemption	1,014,460

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
United States	45.95	118.45
United Kingdom	13.99	36.06
Japan	10.54	27.18
Germany	6.12	15.77
China	5.90	15.20
France	2.41	6.21
Italy	2.38	6.13
Netherlands	2.34	6.02
Others*	7.12	18.38
Cash	3.25	8.39
Total	100.00	257.79

*Includes other countries

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Financials	19.59	50.52
Information Technology	17.05	43.96
Industrials	13.22	34.07
Health Care	11.13	28.69
Consumer Discretionary	9.00	23.21
Consumer Staples	7.42	19.12
Communication Services	6.43	16.58
Energy	5.59	14.40
Materials	3.36	8.66
Real Estate	2.14	5.51
Utilities	1.82	4.68
Cash	3.25	8.39
Total	100.00	257.79

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

As at 31 Dec 2018

	% of NAV	MV S\$ mil
Compass Group PLC	2.47	6.38
Microsoft Corp	2.44	6.29
Home Depot Inc	2.42	6.24
IQVIA Holdings Inc	2.28	5.87
Johnson & Johnson	2.27	5.84
UnitedHealth Group Inc	2.14	5.52
McDonalds Corp	2.14	5.52
Cisco Systems Inc	2.09	5.40
Munchener Ruckvers AG	2.08	5.35
Bank of America Corp	2.04	5.26

Top Ten Holdings of Underlying Sub-Fund

As at 31 Dec 2017

	% of NAV	MV S\$ mil
Home Depot Inc	2.35	5.36
Compass Group PLC	2.25	5.14
Mitsubishi UFJ Financial Grp Inc	2.18	4.98
Apple Inc	2.16	4.95
Kao Corp	2.15	4.93
Johnson & Johnson	2.15	4.93
Bank of America Corp	2.15	4.92
3M Co	2.14	4.90
Cisco Systems Inc	2.12	4.85
Phillips 66	2.06	4.72

V Exposure to Derivatives

As at 31 Dec 2018

% of NAV	(0.12%)
Market value (S\$)	(301,299.38)
Realised Gains / (Losses) (S\$)	(2,810,715.96)
Unrealised Gains / (Losses) (S\$)	(316,182.67)

VI Borrowings of Net Asset Value

As at 31 Dec 2018

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios

HSBC Insurance Global Equity Volatility Focused Fund

Underlying Sub-Fund

	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.95%	1.88%	1.91%	1.90%
Turnover Ratio	11.03%	27.90%	29.19%	54.02%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

HSBC Insurance Global Equity Volatility Focused Fund invests S\$6.07 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 01 July 2018 to 31 December 2018 amounts to S\$26,336.

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

N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 160.

**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.**

HSBC Insurance Global High Income Bond Fund

FUND FACTS

Fund Objective

HSBC Insurance Global High Income Bond Fund invests 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. 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 Hedge Fund.

Underlying Sub-Fund

HSBC Global Investment Funds – Global High Income Bond Hedge 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 Dec 2018

Offer Price

S\$ 1.15099

Bid Price

S\$ 1.09344

Fund Size

S\$ 3.06 mil

Units in Issue

2.80 mil

Investment and Market Review [^]

The 3Q18 started with a risk asset rally in response to a perceived de-escalation in the trade wars as well as strong US economic data. Mid quarter this rally gave way to spread widening as investor sentiment shifted due to EM concerns as well as refreshed concern over trade tensions. The quarter ended strongly however with spreads tightening as risk on investor sentiment, a recovery in EM as well as favorable technicals help moved spreads to the tight end of their range. Investor sentiment turned negative again in 4Q18 with falling oil prices and renewed concerns over slowing growth and continued trade issues saw market volatility increase with fears of a looming recession causing risk asset to sell off globally.

The strategy delivered positive absolute performance outperforming its reference benchmark gross of fees over the period. Regional allocations were positive over all for relative performance as while the underweights to EM and EUR bonds detracted from performance as these regions performed strongly, the allocation to Asset-Backed Securities (ABS) countered this with positive contribution as ABS also performed well. Credit selection was flat for performance as the positive contribution from the EUR and EM sleeves was countered by the negative contribution from the USD sleeves.

Market Outlook and Investment Strategy [^]

The strategy is overweight the US at the expense of EUR and EM. The USD, EUR, and EM sleeve weights are 36%, 20%, and 30%, respectively. Within USD bonds, the strategy is overweight the US BBB sleeve and slightly underweight the US BB sleeve. The strategy also has an off-benchmark position in ABS of 13%. The overall portfolio beta is close to 1 while the duration is 0.15 years below the benchmark. The main sector overweight is to financials, predominantly through the USD BBB and EUR sleeve where we see value given relatively strong fundamentals vs other sectors. The strategy is also overweight energy, mainly in USD and EM bonds. The main sector underweight is to communication where we remain cautious on tight valuations and event risk Merger and Acquisition (M&A) activity and we are also underweight consumer non-cyclicals on tight valuations.

Global economic growth has moderated. In particular, the Eurozone, UK and Japanese economies have shown signs of slowing down while the US which is later on in the cycle continues to grow at a stronger pace but now also with an outlook for moderating economic activity. The US administration's protectionist trade stance continues to roil markets as the anticipated effects on global growth filter through to market sentiment. While moderating, we still view the balance of risks tilted towards the gradual build-up of cyclical inflation pressures. This is especially relevant to the US which continues to add jobs at a healthy pace and is operating with little or no spare capacity

[^] 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*	(2.03)	(0.78)	(3.98)	N.A.	N.A.	N.A.	9.34

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund*	N.A.	N.A.	N.A.	3.09

*This fund has no benchmark.

[^]Inception Date: 25 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global High Income Bond	100.00	3.06
Total	100.00	3.06

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	855,146
Redemption	20,673

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
United States	34.87	705.13
France	7.17	144.97
United Kingdom	5.35	108.29
China	3.74	75.72
Germany	3.45	69.85
Cayman Islands	2.98	60.28
Ireland	2.79	56.52
Brazil	2.37	47.90
Others*	35.47	717.12
Cash	1.81	36.67
Total	100.00	2,022.45

*Includes other countries

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Financial Institutions	22.05	446.03
Sovereign	12.65	255.89
Agencies	10.96	221.71
Energy	6.72	135.95
Basic Industry	6.56	132.67
Consumer Cyclical	6.28	126.96
ABS	6.21	125.54
Communications	6.14	124.20
CMBS	4.59	92.92
Consumer Non cyclical	4.01	81.19
Others*	12.02	242.72
Cash	1.81	36.67
Total	100.00	2,022.45

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
AAA	2.98	60.40
AA	1.75	35.36
A	9.76	197.40
BBB	42.40	857.52
BB	26.99	545.83
B	12.02	243.08
CCC	0.48	9.71
D	0.08	1.58
Unrated	1.73	34.90
Cash	1.81	36.67
Total	100.00	2,022.45

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
AT&T Inc 5.250 01/03/37	0.54	11.06
Brazil (Fed Rep of) 4.875 22/01/21	0.45	9.18
Sinopec Capital 3.125 24/04/23	0.45	9.11
SCOR 3.000 08/06/26	0.45	9.08
Union Bank Of Switzerland 4.750 12/02/21	0.43	8.67
MPT Operating Partnership L 5.000 15/10/27	0.42	8.42
Citigroup Inc 4.168 01/09/23	0.41	8.28
Sinopec Group Overseas Deve 1.750 29/09/19	0.41	8.28
Smurfit Kappa Acquisitions 3.250 01/06/21	0.41	8.21
BNP Paribas 2.625 14/10/22	0.40	8.16

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Ineos Group Holdings SA 5.375 8/1/2024	0.43	13.34
Argentina (Republic of) 6.875 4/22/2021	0.42	12.65
Republic of Indonesia 4.125 1/15/2025	0.41	12.52
Turkey (Republic of) 4.875 10/9/2026	0.38	11.63
ENte Nazionale Per L'energi 5.000 1/15/2020	0.36	10.92
SNAM Spa 1.250 1/25/2025	0.36	10.87
Unicredito Italiano Spa 2.125 10/24/2026	0.35	10.72
Colombia (Republic of) 3.875 4/25/2027	0.35	10.54
ABN Amro Bank nv 7.125 7/6/2022	0.35	10.54
Italgas Spa 1.125 3/14/2024	0.34	10.31

V Exposure to Derivatives

	As at 31 Dec 2018	
	% of NAV	
Market value (S\$)	(0.16%)	
Realised Gains / (Losses) (S\$)	(3,170,808)	
Unrealised Gains / (Losses) (S\$)	16,543,180	
	(7,239,456)	

VI Borrowings of Net Asset Value

	As at 31 Dec 2018	
	% of NAV	
Use of borrowing in % of Fund Total Net Asset	(0.05%)	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global High Income Bond Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.60%	1.57%	1.56%	1.55%
Turnover Ratio	2.89%	1.85%	67.08%	65.34%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond for the financial year ended 30 Dec 2017 is not available.

II Related-Party Transactions

HSBC Insurance Global High Income Bond Fund invests S\$3.06 million, equivalent to 100% of its net asset value in HSBC Global Investment Funds – Global High Income Bond, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 31 December 2018 amounts to S\$8,527.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 161.

**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.**

HSBC Insurance Global Multi-Asset Fund

Fund Objective

HSBC Insurance Global Multi-Asset aims to provide a fixed income distribution of 5% per annum and capital growth over a market cycle by investing in a diversified range of assets and market worldwide. The Sub-fund aims to provide a volatility (a measure of how much the Sub-Fund's returns may vary over a year) of between 5-7% per annum.

Investment and Market Review [^]

2018 began on a positive note with investor sentiment buoyed by the confirmation of a major US tax reform package in late 2017. However, some higher US inflation readings caused concern that the Fed may need to hike interest rates more rapidly than the market had been expecting. Trade tensions also began to build and fears over the impact of a trade war between the US and China dominated much of the period.

Global equities, as represented by the MSCI World index, returned -8.7% (in USD) over the year. Most of the weakness was concentrated in the 2H18 and 4Q18 in particular saw significant market volatility. US equities held up better than those in many other regions but the Standard and Poor(S&P) 500 still delivered a negative return of -4.4% (USD). The export-oriented markets of the eurozone and Japan were hit by uncertainty around the trade wars, while in EMs, countries closely linked to open global trade tended to fare poorly.

US 10-year yields increased from 2.41% to 2.68%. They rose for much of the year on strong data, reaching the 52-week high of 3.23% in early-October, before retracing in 4Q18 due to pronounced risk aversion. Corporate bonds had a difficult year, producing negative total returns and underperforming government bonds. While limited supply had supported high yield for much of the year, sentiment deteriorated markedly into year-end amid sharp declines across risk assets.

Market Outlook and Investment Strategy [^]

We positioned the portfolio more defensively into year end, reducing our equity exposure and adding to hedges such as government bonds and the Japanese yen. We remain patient at this point. Our cyclical indicators continue to point to a deterioration in the economic environment, and we are waiting to see signs of stabilisation before adding back to risky assets. That said, we believe there are selective opportunities to take advantage of areas where negative sentiment has gone too far, and we continue to add to these opportunities as they emerge.

[^] Source: Schroder Investment Management (Singapore) Ltd

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 Dec 2018

Offer Price	S\$ 1.09573
Bid Price	S\$ 1.04094
Fund Size	S\$ 1.07 mil
Units in Issue	1.03 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 Multi-Asset Fund*	(4.61)	(3.56)	(6.00)	N.A.	N.A.	N.A.	4.09

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Multi-Asset Fund*	N.A.	N.A.	N.A.	1.45

*This fund has no benchmark.

[^]Inception Date: 21 Mar 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018 % of NAV	MV S\$ mil
Schroder International Selection Fund - Global Multi-Asset Income	100.00	1.07
Total	100.00	1.07

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	463,686
Redemption	139,133

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

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
North America	54.67	2,242.73
Emerging Markets	20.60	845.07
UK	10.63	436.07
Europe	9.84	403.67
Japan	2.19	89.84
Asia Pacific ex-Japan	1.98	81.23
Others*	0.09	3.69
Total	100.00	4,102.30

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018 % of NAV	MV S\$ mil
Government	26.92	1,104.34
Financials	15.52	636.68
Consumer Discretionary	6.38	261.73
Real Estate	6.24	255.98
Energy	6.01	246.55
Communication Services	5.49	225.22
Health Care	4.33	177.63
Industrials	4.27	175.17
Consumer Staples	4.09	167.78
Materials	3.77	154.66
Others*	15.44	633.38
Cash	1.54	63.18
Total	100.00	4,102.30

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating

(For Debt securities portfolio only)

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
AAA / Aaa	0.92	37.74
AA+ / Aa1	10.92	447.97
AA / Aa2	0.48	19.69
AA- / Aa3	0.38	15.59
A+ / A1	0.55	22.56
A / A2	2.36	96.81
A- / A3	3.97	162.86
BBB+ / Baa1	2.24	91.89
BBB / Baa2	2.82	115.68
BBB- / Baa3	5.46	223.99
BB+ / Ba1	3.74	153.43
BB / Ba2	4.31	176.81
BB- / Ba3	5.36	219.88
Unrated	6.18	253.52
Others*	10.37	425.42
Total	60.06	2,463.84

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
United States Treasury 2.875% 15/08/2028	3.66	150.14
Triple Point Social Housing REIT Plc	0.76	31.18
GCP Infrastructure Investments Ltd	0.75	30.77
Schroder Real Estate Inv. Trust Ltd	0.69	28.31
Starwood European Real Estate Finance	0.69	28.31
Schroder European Real Estate Inv. Trust Ltd	0.60	24.61
International Public Partnerships Limited Ordinary 1P	0.57	23.38
Federative Republic of Brazil 10% 01/01/2023	0.56	22.97
Bilfinger Berger Global Infrastructure SICAV	0.56	22.97
HICL Infrastructure Ltd	0.50	20.51

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Federative Republic Of Brazil 10% 01/01/2023	0.76	48.54
Microsoft Corporation	0.58	37.03
JPMorgan Chase & Co	0.54	34.48
GCP Infrastructure Investments	0.50	31.92
Wells Fargo & Co	0.50	31.92
Berkshire Hathaway	0.50	31.92
Starwood European Real Estate Finance Limited	0.49	31.29
3i Infrastructure	0.47	30.01
Apple Inc	0.45	28.73
Johnson & Johnson	0.45	28.73

V Exposure to Derivatives

	As at 31 Dec 2018	
% of NAV		0.34%
Market value (S\$)		13,997,337
Realised Gains / (Losses) (S\$)		(165,590,976)
Unrealised Gains / (Losses) (S\$)		13,997,337

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Multi-Asset Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.60%	1.57%	1.56%	1.54%
Turnover Ratio	18.35%	9.89%	As at 31-Dec-18 119.25%	As at 31-Dec-17 105.56%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Schroder International Selection Fund - Global Multi-Asset Income for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Schroder International Selection Fund - Global Multi-Asset Income for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

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 161.

**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.**

HSBC Insurance India Equity Fund

Fund Objective

HSBC Insurance India Equity Fund seeks long-term capital growth through a diversified portfolio of investments in equity and equity-equivalent securities of companies registered in, and/or with an official listing on a major stock exchange or other regulated market of India, as well as those with significant operations in India. Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds - Indian Equity.

Investment and Market Review [^]

The Global Investment Funds (GIF) Indian Equity Fund fell 1.6% in the 2H18 gross of fees, (USD terms) while its benchmark, the S&P Industrial Finance

Corporation of India (IFCI)/India Gross Index fell 1.3% over the same period. Sentiment during the period was initially negatively impacted by the rising price of oil (for which India is a major net importer), a weaker Rupee, global trade tensions. Market sentiment was also dented by the concerns around liquidity issues in the non-banking financial institution space. The Government announced the Minimum Support Price (MSP) for monsoon crops and this was fixed at least 1.5 times the cost of production. The MSPs will be supportive of rural incomes but are also expected to be inflationary in nature. The Goods and Service Tax (GST) council reduced tax rates on 88 items largely in the consumer segments, majority of which saw the tax rate getting reduced from 28% to 18%. Meanwhile the recorded rainfall in for the monsoon period has been weaker than anticipated. Later in the period the market recovered somewhat as the price of oil plummeted, the Rupee stabilized, and inflation moderated.

The fund underperformed the index mainly due to its underweight to the energy and consumer staples sectors, and stock selection effects in materials. Stock selection in financials and health care contributed most positively.

Market Outlook and Investment Strategy [^]

After the correction in crude oil prices since the beginning of October 2018 and some resultant reversal in the currency depreciation cycle, the macro concerns around a widening current account deficit may wear off, depending on the sustainability of these trends. On the monetary policy front, the rate tightening cycle is likely to see a pause with inflation very much under control while the 'calibrated tightening' stance adopted by the Reserve Bank of India (RBI) may also be revisited depending on the incoming data. As the government gets into the general elections mode, we may see an uncertainty risk being priced into valuations. We remain constructive on the India story from a medium to long term perspective and that a cyclical recovery is underway. Looking ahead, the GST regime will lead to faster formalization of the economy, broaden the tax base, improve the fiscal situation and improve the ease of doing business. Policies to structurally repair the banking sector will go a long way to help revive credit growth and move the economy forward.

Overall, we continue to prefer cyclical sectors over defensives, given our belief that the economy is undergoing a gradual recovery. From a long-term perspective, cyclicals are still very cheap and we continue to like financials and consumer discretionary and are most underweight to energy.

[^] 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 Classification	N.A.		
As at 31 Dec 2018			
Offer Price	S\$	2.63399	
Bid Price	S\$	2.50229	
Fund Size	S\$	59.30	mil
Units in Issue		23.70	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	3.17	(2.38)	(13.42)	15.00	48.45	123.08	163.40
Benchmark*	3.81	(1.35)	(7.66)	28.09	84.76	182.97	347.56

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund	4.77	8.22	8.35	6.84
Benchmark*	8.60	13.06	10.96	10.78

*S&P/IFC Investible India Index (SGD)

[^]Inception Date: 14 May 2004

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Fund - Indian Equity Fund	100.10	59.36
Other assets	0.56	0.33
Other liabilities	(0.66)	(0.39)
Total	100.00	59.30

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	5,842,716
Redemption	6,621,416

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
India	98.88	1,888.96
Cash	1.12	21.30
Total	100.00	1,910.26

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Financials	37.47	715.95
Information Technology	12.77	243.86
Consumer Discretionary	11.34	216.61
Materials	9.71	185.41
Energy	6.18	117.97
Consumer Staples	5.68	108.46
Industrials	4.71	90.04
Health Care	3.65	69.82
Communication Services	3.11	59.46
Utilities	2.72	51.92
Real Estate	1.54	29.46
Cash	1.12	21.30
Total	100.00	1,910.26

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

V Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
HDFC Bank Ltd	9.81	187.08
Infosys Ltd	8.59	164.15
ICICI Bank Ltd	6.07	115.97
Axis Bank Ltd	5.61	107.14
Reliance Industries Ltd	4.98	95.12
Housing Development Finance Corp	4.49	85.71
ITC Ltd	4.33	82.78
Maruti Suzuki India Ltd	4.30	82.22
HCL Technologies Ltd	4.17	79.71
Grasim Industries Ltd	3.47	66.34

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Infosys Ltd	6.39	160.63
HDFC Bank Ltd	6.38	160.50
Maruti Suzuki India Ltd	5.57	140.23
ICICI Bank Ltd	5.32	133.99
Axis Bank Ltd	4.71	118.51
Housing Development Finance Corp	3.92	98.65
ITC Ltd	3.79	95.49
Vedanta Ltd	3.62	91.10
Grasim Industries Ltd	3.51	88.32
Tata Motors Ltd	3.42	85.97

V Exposure to Derivatives

N.A.

As at 31 Dec 2018

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.95%	1.93%	1.90%	1.90%
Turnover Ratio	13.15%	4.85%	18.39%	17.77%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Fund - Indian Equity Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

HSBC Insurance India Equity Fund invests S\$59.36 million, equivalent to 100.10% 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 01 July 2018 to 31 December 2018 amounts to S\$150,931.

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

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

Soft Commission arrangements referred to herein relate solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission that are utilized by the Company. The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the sub-funds concerned.

All transactions were entered into in the ordinary course of business and on normal commercial terms. Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 161.

**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.**

HSBC Insurance Pacific Equity Fund

Fund Objective

HSBC Insurance Pacific Equity Fund aims to provide holders with medium to long-term capital growth from a diversified portfolio of Asian-Pacific equities excluding Japanese equities. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Aberdeen Standard Select Portfolio – Aberdeen Standard Pacific Equity Fund.

Investment and Market Review [^]

Asian equities declined in the 2H18. Initially, encouraging corporate earnings results supported sentiment. Subsequently, a broad-based selloff that started in October dragged Asian equities lower in the 4Q18. Still-heightened US-China trade tensions, slowing global growth, and worsening political risks hampered markets, along with The Fed's policy tightening. The Fed raised rates for a fourth time, and forecast further hikes in 2019. North Asian markets fell the most, with economic worries hurting mainland markets. In contrast, India, Indonesia and the Philippines were resilient as the USD weakened and oil prices fell on oversupply concerns.

Market Outlook and Investment Strategy [^]

We expect volatility to persist through 2019 as policy continues to drive markets. US-China tensions seem to have eased as a truce has been drawn. But they could flare-up again and remains a source of uncertainty. China's slowing growth adds to fears of a deeper global slowdown. Political risks will also become more salient, as major elections in India and Indonesia could derail reform efforts, while Thai voters will also cast their ballots. That said, we are seeing more encouraging signals. With US data weakening, the Fed has turned more dovish in its tone. This could be a potential positive for Asian stockmarkets and currencies. China, meanwhile, is targeting a consumption boost via tax cuts and easing of lending, in efforts to support a sputtering economy.

Against this backdrop, profit forecasts of many of our holdings are still decent, despite more cautious guidance. Lower energy prices should help ease cost pressures and improve margins. Although we are seeing substantial value emerging following 2018's sell-offs, we still need to be selective. We continue to focus on stocks with solid balance sheets, stable cash flows and pricing power. We believe such companies will have the wherewithal to withstand such volatile times.

[^] Source: Aberdeen Standard Investments (Asia) Limited

FUND FACTS

Underlying Sub-Fund	Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund
Fund Manager	Aberdeen Standard Investments (Asia) Limited
Launch Date	01 Apr 2010
CPFIS/SRS	OA/SRS
CPFIS Risk Classification	Higher Risk – Narrowly Focused - Regional - Asia
As at 31 Dec 2018	
Offer Price	S\$ 1.34185
Bid Price	S\$ 1.27476
Fund Size	S\$ 159.87 mil
Units in Issue	125.41 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	(6.29)	(7.59)	(10.53)	17.26	14.29	N.A.	34.19
Benchmark*	(9.05)	(10.07)	(11.97)	21.92	28.35	N.A.	41.03

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	5.45	2.71	N.A.	3.42
Benchmark*	6.83	5.12	N.A.	4.01

*MSCI AC Asia Pacific ex Japan Index (in SGD)

[^]Inception Date: 06 Apr 2010

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV \$ mil
Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund	100.12	160.06
Other assets	0.44	0.71
Other liabilities	(0.56)	(0.90)
Total	100.00	159.87

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	18,139,397
Redemption	14,835,056

Underlying Sub-fund Disclosure (Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific

C) Equity Fund)

I Allocation by Country

Country	As at 30 Sep 2018 [†]	
	% of NAV	MV \$ mil
China	19.33	276.04
Singapore	13.16	187.96
Hong Kong	12.36	176.43
South Korea	9.91	141.47
India	9.87	140.87
United Kingdom	7.68	109.66
Taiwan	5.61	80.11
Australia	4.57	65.30
Others*	15.55	221.98
Cash	1.96	28.01
Total	100.00	1,427.83

*Includes other countries

[†] Based on audited figures as at 30 Sep 2018 as the unaudited figures as at 31 Dec 2018 are not available

II Allocation by Industry	As at 30 Sep 2018†	
	% of NAV	MV S\$ mil
Unit Trusts	26.58	379.46
Financials	20.61	294.30
Information Technology	12.69	181.25
Communication Services	9.34	133.38
Materials	9.30	132.72
Real Estate	8.04	114.81
Industrials	4.75	67.83
Consumer Discretionary	2.60	37.12
Healthcare	2.53	36.17
Consumer Staples	1.60	22.78
Cash	1.96	28.01
Total	100.00	1,427.83

III Allocation of Debt Securities by Credit Ratings	As at 30 Sep 2018†
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Sep 2018†	
	% of NAV	MV S\$ mil
Aberdeen Standard Singapore Equity Fund	7.18	102.73
Aberdeen Global - Indian Equity Fund ^	7.11	101.47
Samsung Electronics (Preference Shares)	5.68	81.04
Aberdeen Standard China Opportunities Fund	4.82	68.82
Taiwan Semiconductor Manufacturing Company	4.62	65.93
Tencent	4.41	62.93
Aberdeen Standard Thailand Equity Fund	3.33	47.61
AIA Group	2.79	39.88
China Resources Land	2.79	39.77
Ping An Insurance	2.52	35.95

Top Ten Holdings of Underlying Sub-Fund	As at 30 Sep 2017&	
	% of NAV	MV S\$ mil
Aberdeen Global – Indian Equity Fund ^	8.30	124.11
Aberdeen Singapore Equity Fund	7.23	108.14
Aberdeen China Opportunities Fund	7.02	105.04
Samsung Electronics (Preference Shares)	4.59	68.60
Taiwan Semiconductor Manufacturing Company	3.84	57.44
Aberdeen Indonesia Equity Fund	3.37	50.43
Aberdeen Thailand Equity Fund	3.27	48.97
AIA Group	3.13	46.84
Jardine Strategic Holdings	2.87	42.88
Rio Tinto	2.51	37.61

^ The underlying fund is not authorized for public sale in Singapore

V Exposure to Derivatives	As at 30 Sep 2018†
N.A.	

VI Borrowings of Net Asset Value	As at 30 Sep 2018†
N.A.	

& Based on audited figures as at 30 Sep 2017 as the unaudited figures as at 31 Dec 2017 are not available

† Based on audited figures as at 30 Sep 2018 as the unaudited figures as at 31 Dec 2018 are not available

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Pacific Equity Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.75%	1.66%	1.70%	1.67%
Turnover Ratio	17.74%	8.03%	17.69%	15.43%

*Based on audited figures as at 30 Sep 2018 as the turnover and expense ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund for the financial year ended 301 Dec 2018 is not available.

**Based on audited figures as at 30 Sep 2017 as the turnover and expense ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund for the financial year ended 31 Dec 2017 are not available.

II Related-Party Transactions

Cash balances maintained with HSBC Bank as at 31 December 2018 amounts to S\$45,081.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 162.

**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.**

HSBC Insurance Premium Balanced Fund

Fund Objective

HSBC Insurance Premium Balanced Fund seeks to achieve long-term capital growth by investing in a diversified portfolio of securities. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Deutsche Premier Select Trust.

Investment and Market Review ^

As 2018 draws to a close, it is clear that financial markets have not done well at all during the year. After a bad 4Q18, global stock markets are in the red for the year: down by -10.4, which makes 2018 their worst year since the financial crisis. The last time equities delivered significantly negative returns was in 2011. At that time, however, multi-asset investors benefited from the positive performance of bonds. In the past, this has been the rule of thumb: a bad year for stocks was good for bonds – 2000 and 2001 are just two examples in which this was the case. But in 2018, as our "Chart of the Week" shows, global equities and bonds yielded negative returns. At least from a USD perspective, there was nowhere to hide for an investor in 2018. Even the safe-haven currency, gold, is in the red.

The start to the New Year is likely to remain lively. A few further bad trading days could be enough to remind investors how 2016 developed. At that time risk budgets which were supposed to last a whole year were exhausted in a few days. The result was forced selling and it took a few weeks for the market to find its bottom. After that, prices developed quite well. Our forecasts for 2019 imply a similar expectation. But we should remember the mandatory disclaimer of financial publications: "Past performance is not a reliable indicator of future performance."

Market Outlook and Investment Strategy ^

With effect from 3 April 2018, the focus and approach of the Deutsche Premier Select Trust was revised to allow it to invest into global equity and Singapore fixed income markets; via collective investment schemes including Exchange Traded Funds (ETFs) and/or directly in securities, fixed income and money market instruments, deposits and/or other investments. Deutsche Premier Select Trust's current investment strategy is to invest into 2 ETFs i.e more than 70% of its net asset value into the Xtrackers II Singapore Government Bond UCITS ETF ("SGB-ETF") and less than 30% into the Xtrackers MSCI World UCITS ETF ("MSCI ETF").

By investing into SGB-ETF, the Trust aims track the performance (before fees and expenses) of the underlying reference index (i.e. the FTSE Singapore Government Bond Index) which represents the performance of fixed-rate, local currency sovereign debt issued by the Singapore government.

Similarly, by investing into MSCI-ETF, the Trust aims to track the performance (before fees and expenses) of the underlying reference index (i.e. the MSCI Total Return Net World Index) which was designed to reflect the performance of the shares of certain companies in various developed countries. The companies making up the MSCI Total Return Net World Index are large and medium sized companies based on the combined value of a company's readily available shares as compared to other companies.

Although the intention is to maintain the above asset allocations, we intend to adopt a static allocation of the Trust's investments in each of the underlying ETFs and will re-adjust the investments at least on a semi-annual basis.

^ Source: DWS Investments Singapore Limited

FUND FACTS

Underlying Fund	Deutsche Premier Select Trust
Fund Manager	DWS Investments Singapore Limited
Launch Date	02 Jan 2001
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A

As at 31 Dec 2018

Offer Price	S\$ 1.76260
Bid Price	S\$ 1.67447
Fund Size	S\$ 117.54 mil
Units in Issue	70.19 mil

*Note: With effect from 27 Mar 2017, 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 Premium Balanced Fund*	(1.95)	(0.25)	0.29	13.85	18.97	71.82	76.26

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund*	4.42	3.53	5.56	3.22

*This fund has no benchmark.

[^]Inception Date: 13 Feb 2001

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018 % of NAV	MV S\$ mil
Deutsche Premier Select Trust	100.06	117.61
Other assets	0.01	0.01
Other liabilities	(0.07)	(0.08)
Total	100.00	117.54

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	3,119,727
Redemption	4,895,735

C) Underlying Fund Disclosure (Deutsche Premier Select Trust)

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV S\$ mil
Luxembourg	75.87	128.77
Ireland	23.95	40.64
Other net assets	0.18	0.31
Total	100.00	169.72

II Allocation by Industry

Industry	As at 31 Dec 2018 % of NAV	MV S\$ mil
Exchange Traded Funds	99.82	169.41
Other net assets	0.18	0.31
Total	100.00	169.72

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Fund ^

	As at 31 Dec 2018 % of NAV	MV S\$ mil
Xtrackers II Singapore Government Bond UCITS ETF 1C	75.87	128.77
Xtrackers MSCI World UCITS ETF 1C	23.95	40.64
Other net assets	0.18	0.31

Top Ten Holdings of Underlying Fund ^

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Deutsche Lion Bond Fund Class M	34.96	64.76
DWS Global Equity Focus Fund	29.87	55.33
Deutsche Singapore Equity Fund Class M	25.42	47.09
Deutsche Invest I Asian Small/Mid Cap - Class USD LC	6.24	11.55
SPDR Gold Trust	2.42	4.49

^Less than Ten Holdings in the Underlying Fund.

V Exposure to Derivatives **As at 31 Dec 2018**
N.A.

VI Borrowings of Net Asset Value **As at 31 Dec 2018**
N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Premium Balanced Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.22%	1.59%	0.95%	1.37%
Turnover Ratio	5.16%	2.76%	99.08%	8.20%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Deutsche Premier Select Trust for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Deutsche Premier Select Trust for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 162.

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.

HSBC Insurance Singapore Bond Fund

Fund Objective

HSBC Insurance Singapore Bond Fund seeks to achieve attractive returns by investing in Single A and above quality investment grade bonds of Singapore and major bond markets such as the G7 countries, Australia, New Zealand, Hong Kong and South Korea. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Deutsche Lion Bond Fund.

Investment and Market Review ^

2H18 has been characterized by heightened volatility with VIX reaching 25 at end-2018. UST 10-year was on an upward trend until the beginning of November and started going down reaching ~2.7 at year-end, with Fed officials striking a dovish tone in December. Trade tensions dragged with uncertainties. China's economic slowdown continued while striking to balance financial risks. Market concerns were on global growth, US growth worries with fading effectiveness of Trump's fiscal stimulus, and geopolitical concerns such as Brexit. The USD Index had an upward trend in 2018 ending the year at ~96. The 2-30 year UST slope continued to flatten reaching ~53bps at year-end, and JP Morgan Asia Credit Index (JACI) investment grade spreads continued to widen ending the year at ~214. Given strong market liquidity, the Singapore Government Securities (SGS) curve has outperformed the UST across the curve in 2018.

Market Outlook and Investment Strategy ^

The Fund slightly outperformed the benchmark in 2H18, benefitting from our corporate duration positioning. Market volatility is likely to persist given that we are still in a rising rate environment, lingering trade talks uncertainties, coupled with worries on China economy, DM and EM growth slowdown, continuing geopolitics namely Brexit, as well as domestic politics in the US and several Asian countries such as India, Indonesia, the Philippines and Thailand which will have elections 1H19. While maintaining an overall short duration positioning given the fund mandate, we might slightly increase our duration exposure at good market timing. We continue to prefer quality credit exposure with spreads that are also more resilient during market volatilities.

^ 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 Singapore Bond Fund	0.76	1.17	0.92	5.52	8.02	24.51	42.81
Benchmark*	0.44	0.84	1.58	3.85	4.94	7.47	20.43

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund	1.81	1.55	2.22	2.17
Benchmark*	1.27	0.97	0.72	1.13

*6-month Singapore Inter-bank Offer Rate (SIBOR) minus 12.5 basis points

^Inception Date: 04 Jun 2002

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Deutsche Lion Bond Fund	100.03	31.09
Other assets	0.23	0.07
Other liabilities	(0.26)	(0.08)
Total	100.00	31.08

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	1,912,248
Redemption	4,457,756

C) Underlying Fund Disclosure (Deutsche Lion Bond Fund)

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Singapore	41.72	60.31
Malaysia	11.95	17.27
China	10.62	15.35
Korea	9.05	13.08
Japan	7.24	10.47
Hong Kong	5.98	8.64
USA	5.74	8.30
Switzerland	2.61	3.77
Others*	2.80	4.06
Cash	2.29	3.31
Total	100.00	144.56

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Financials	37.26	53.87
Real Estate	16.71	24.15
Industrials	11.07	16.01
Quasi-Sovereign	9.40	13.59
Sovereign	7.89	11.40
Communication	7.87	11.37
Energy	4.77	6.90
Consumer Staples	2.21	3.20
Health Care	0.53	0.76
Cash	2.29	3.31
Total	100.00	144.56

III Allocation of Debt Securities by Credit Ratings

Rating	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
AAA	13.72	19.84
AA+	1.38	2.00
AA	10.65	15.40
AA-	0.57	0.83
A+	16.59	23.98
A	19.74	28.54
A-	12.99	18.78
Others*	23.11	33.39
Cash and other assets	1.25	1.80
Total	100.00	144.56

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
US Treasury	3.94	5.70
City Developments Ltd	3.47	5.01
Sun Hung Kai Prop (Cap)	3.38	4.89
National Uni of Singapore	2.97	4.30
Ascendas Real Estate Invmt Trust	2.62	3.79
Mizuho Bank Ltd	2.39	3.45
China Construction Bank/ SG	2.25	3.25
Danga Capital Bhd	2.19	3.16
Korea Expressway Corp	1.95	2.82
Tencent Holdings	1.94	2.81

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
CCT MTN Pte Limited Series EMTN 2.96% 13/08/2021	3.21	7.99
Republic of Singapore 0.5% 01/04/2018	3.21	7.98
Sun Hung Kai Properties Capital Market Limited MTN 3.25% 20/05/2021	3.12	7.76
UOL Treasury Services Series MTN 2.5% 20/04/2018	3.12	7.76
Korea Development Bank Series GMTN 2.05% 23/07/2018	2.91	7.25
BNP Paribas Series EMTN 3.65% 09/09/2024	2.52	6.27
Petronas Capital Limited 5.25% 12/08/2019	2.24	5.57
Ascendas Real Estate Investment Trust Series MTN 2.5% 16/05/2019	2.23	5.54
Mizuho Bank Limited EMTN 2.455% 14/11/2019	2.02	5.04
Export-Import Bank of Korea Series EMTN 2.04% 24/07/2018	2.01	5.00

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	0.23%
Market value (S\$)	330,676
Realised Gains / (Losses) (S\$)	(1,093,877)
Unrealised Gains / (Losses) (S\$)	330,676

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Singapore Bond Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	0.71%	0.71%	0.67%	0.67%
Turnover Ratio	8.10%	5.30%	49.43%	46.49%

*Based on unaudited figure at 30 Sep 2018 as the expense ratio of Deutsche Lion Bond Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Deutsche Lion Bond Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 162.

**For more information, please contact your financial planner,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Singapore Equity Fund

Fund Objective

HSBC Insurance Singapore Equity Fund seeks to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited. The portfolio will be broadly diversified with no specific industry or sectoral emphasis. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Schroder Singapore Trust.

FUND FACTS

Underlying Fund
Fund Manager

Schroder Singapore Trust
Schroder Investment
Management (Singapore) Ltd
03 August 2015
SRS
N.A.

Launch Date
CPFIS/SRS
CPFIS Risk
Classification

As at 31 Dec 2018

Offer Price	S\$ 1.20476
Bid Price	S\$ 1.14452
Fund Size	S\$ 20.65 mil
Units in Issue	18.04 mil

Investment and Market Review ^

The fund posted negative returns in 2018 but outperformed the Singapore index amid global market weakness. Concerns centred on the prospect of slowing economic growth, rising oil prices, China's trade tensions with the US as well as the US Fed hike rate cycle.

There is considerable uncertainty regarding the earnings outlook if China-US trade disputes continue to roil on. However, we consider some of the following countervailing factors.

-Valuations: these have improved in terms of historic price-earnings multiples and price-book valuations, but earnings visibility remains problematic

-The rapid decline in oil prices is a boon for consumer-centric sectors

-How rapidly can monetary and fiscal policy changes be introduced to stave off further macro deterioration and financial market declines? China has made further efforts to ease domestic liquidity concerns and is planning broader fiscal measures. As inflation numbers sequentially improve as a result of lower oil prices, there could be room for more policy flexibility from other central banks.

- Yields for long bonds have fallen from their peaks, easing the valuation pressure from rising risk-free rates. These have been supportive of the Singapore REITs in particular.

Market Outlook and Investment Strategy ^

In summary, many of the key earnings variables are at a critical juncture, with weakening macro data on exports, for example. Furthermore, quantitative easing and a plethora of other policy tools have propped up the economic cycle since the Global Financial Crisis. Many of these tools are now being unwound or deemed to be less effective. The milieu of widening geopolitical schisms could render monetary and fiscal stimulus less effective than in previous macro cycles. However, the recent market rally illustrates the sentiment impact should progress on trade disputes materialise. Under these conditions, we continue to favour a defensive tilt, while seeking better valuation entry levels for companies with medium-term earnings recovery.

^ 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 ^A
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	(6.42)	(5.34)	(7.39)	16.35	N.A.	N.A.	14.45
Benchmark*	(6.95)	(4.73)	(7.61)	19.67	N.A.	N.A.	12.64

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	5.18	N.A.	N.A.	4.08
Benchmark*	6.17	N.A.	N.A.	3.59

*MSCI Singapore Free Index

[^]Inception Date: 17 Aug 2015

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Schroder Singapore Trust	100.24	20.70
Other assets	0.63	0.13
Other liabilities	(0.87)	(0.18)
Total	100.00	20.65

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	2,699,736
Redemption	2,918,036

C) Underlying Fund Disclosure (Schroder Singapore Trust)

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Singapore	96.22	731.70
Other net assets/(liabilities)	3.78	28.74
Total	100.00	760.44

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Finance	47.78	363.27
Real Estate	19.43	147.73
Telecommunications	10.70	81.37
Diversified Operations	7.10	53.98
Industrial and Transportation	4.94	37.58
Consumer	2.79	21.25
Agriculture	2.56	19.50
Health Care	0.92	7.02
Others*	3.78	28.74
Total	100.00	760.44

*Includes other net assets and liabilities

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Oversea-Chinese Banking Corp Ltd	16.40	124.72
DBS Group Hldg Ltd	16.27	123.73
United Overseas Bank Ltd	13.19	100.33
Singapore Telecommunications Ltd	8.97	68.18
Keppel Corp Ltd	5.12	38.97
CapitaLand Ltd	4.24	32.23
City Developments Ltd	2.73	20.78
Frasers Logistics & Industrial Trust	2.47	18.77
Hongkong Land Hldg Ltd	2.44	18.53
CapitaLand Mall Trust	2.19	16.62

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
DBS Group Hldg Ltd	16.85	140.98
Oversea-Chinese Banking Corp Ltd	15.32	128.15
United Overseas Bank Ltd	13.11	109.66
Singapore Telecommunications Ltd	9.49	79.38
CapitalLand Ltd	5.23	43.71
Keppel Corp Ltd	4.97	41.61
UOL Group Ltd	3.30	27.64
City Developments Ltd	2.94	24.56
Mapletree Industrial Trust	2.60	21.76
Hongkong Land Hldg Ltd	2.43	20.30

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	(0.00%)
Market value (S\$)	(3,350)
Realised Gains / (Losses) (S\$)	(8,403)
Unrealised Gains / (Losses) (S\$)	(3,350)

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Singapore Equity Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.37%	1.35%	1.33%	1.34%
			As at 31-Dec-18	As at 31-Dec-17
Turnover Ratio	19.05%	20.39%	11.07%	12.91%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Schroder Singapore Trust for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Schroder Singapore Trust for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

N.A.

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

N.A.

IV Soft Dollar Commission Arrangement

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

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

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

E) Financial Statements

Refer to page 163.

**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.**

HSBC Insurance US Equity Portfolio Fund

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of US equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, the United States of America. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

FUND FACTS

Underlying Sub-Fund

HSBC Global Investment Funds – Economic Scale US Equity Fund.

HSBC Global Asset Management (Singapore) Limited

18 Jan 2016

Launch Date

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 31 Dec 2018

Offer Price

S\$ 1.35026

Bid Price

S\$ 1.28275

Fund Size

S\$ 6.78 mil

Units in Issue

5.28 mil

Investment and Market Review ^

Global equity market declined in 2018 amid concerns including the slower global economic growth, the US Fed raising interest rates too quickly, the Brexit impasse and other geo-political risks.

On a 6-month basis, the fund underperformed its market cap weighed index. While our asset allocation contributed to the performance largely in line with the benchmark, our stock selection weighed on performance.

On a sector basis, an overweight allocation to Consumer Staples coupled with our underweight exposures to Communication Services and IT contributed to performance. Conversely, an overweight allocation to Industrials coupled with our underweight exposures to Health Care and Utilities weighed on performance. At the stock level, underweighting Facebook Inc. (Communication Services, US), Apple Inc. (IT, USA) and Amazon.com Inc. (Consumer Discretionary, USA) contributed to performance. Conversely, overweighting General Electric (Industrials), Flex Ltd. (IT) and Adient Plc (Consumer Discretionary) weighed on performance.

Market Outlook and Investment Strategy ^

Our measure of the US equity risk premium (excess return over cash) is still reasonable given corporate fundamentals remain strong, the earnings growth outlook appears solid in our opinion, and the US macroeconomic backdrop still looks robust. From risk perspective, further Fed policy tightening poses risks, especially as the US economic cycle matures. Risks from US protectionism also need to be considered, especially if further rounds of tit-for-tat actions towards China materialise.

^ 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 US Equity Portfolio Fund	(15.83)	(11.72)	(10.02)	N.A.	N.A.	N.A.	28.28
Benchmark*	(14.42)	(7.76)	(3.67)	N.A.	N.A.	N.A.	33.34

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund	N.A.	N.A.	N.A.	9.05
Benchmark*	N.A.	N.A.	N.A.	10.33

* Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

From October 2017 onwards - S&P 500 Net

^Inception Date: 28 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Economic Scale US Equity Fund	100.00	6.78
Total	100.00	6.78

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	2,028,016
Redemption	47,751

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV S\$ mil
United States	98.32	1,145.37
Cash	1.68	19.62
Total	100.00	1,164.99

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV S\$ mil
Industrials	16.18	188.46
Financials	14.56	169.62
Consumer Discretionary	13.29	154.80
Information Technology	13.10	152.59
Consumer Staples	10.94	127.41
Health Care	9.24	107.70
Communication Services	7.51	87.53
Energy	5.94	69.25
Materials	3.65	42.55
Real Estate	2.07	24.06
Utilities	1.84	21.40
Cash	1.68	19.62
Total	100.00	1,164.99

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
WALMART INC	3.75	43.90
General Electric Co	2.00	23.27
AT&T Inc	1.28	14.88
Wells Fargo & Co	1.21	14.07
Apple Inc	1.18	13.69
Bank of America Corp	1.17	13.65
JP Morgan Chase & Co	1.14	13.25
United Parcel Service Inc	1.06	12.34
Exxon Mobil Corp	0.96	11.20
Berkshire Hathaway Inc	0.89	10.36

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Wal-Mart Stores Inc	3.14	40.31
General Electric Co	1.90	24.31
AT&T Inc	1.58	20.25
Exxon Mobil Corp	1.45	18.54
Wells Fargo & Co	1.27	16.24
Apple Inc	1.18	15.08
JP Morgan Chase & Co	1.16	14.83
Bank of America Corp	1.03	13.22
United Parcel Service Inc	1.00	12.77
Chevron Corp	0.92	11.77

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	0.10%
Market value (S\$)	1,213,541
Realised Gains / (Losses) (S\$)	(4,326,634)
Unrealised Gains / (Losses) (S\$)	450,509

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	0.79%	0.78%	0.75%	0.75%
Turnover Ratio	3.50%	8.34%	25.78%	18.14%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Economic Scale US Equity Fund for the financial year ended 31 Dec 2018 is not available.

**Based on audited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Economic Scale US Equity Fund for the financial year ended 31 Dec 2017 is not available

II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund invests S\$6.78 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 01 July 2018 to 31 December 2018 amounts to S\$6,828.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 163.

**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.**

HSBC Insurance US Opportunities Equity Fund

Fund Objective

HSBC Insurance US Opportunities Equity Fund aims to achieve capital appreciation by investing principally in equity securities of US companies believed to possess sustainable growth characteristics and which meet growth, quality and valuation criteria. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Franklin US Opportunities Fund A.

Investment and Market Review [^]

FUND FACTS

Underlying Fund

Fund Manager

Launch Date

CPFIS/SRS

CPFIS Risk

Classification

As at 31 Dec 2018

Offer Price

Bid Price

Fund Size

Units in Issue

Franklin US Opportunities Fund

Templeton Asset

Management

18 Jan 2016

SRS

N.A.

S\$ 1.41412

S\$ 1.34341

S\$ 2.31 mil

1.72 mil

Throughout the 3Q18, the US stock market's positive performance increasingly separated itself from the rest of the world. It was supported by robust corporate earnings, high business and consumer confidence, a tight labour market, and strength in most other economic indicators. Renewed global growth worries, simmering trade tensions and slumping commodity prices trounced US stocks in the 4Q18, leaving few areas immune to the selloff. As the major US equity indices ebbed from all-time highs, they posted double-digit percentage declines for the 4Q18, thereby pushing their full-year 2018 returns into negative territory.

Strong stock selection in IT as well as an overweight to the sector aided relative performance in 2018, despite widespread volatility in the 4Q18. Top contributors in the sector included Mastercard, ServiceNow and Zendesk, as the companies' shares advances in the period. We also maintained an underweighting in Apple relative to the benchmark and the S&P, which proved positive for relative returns in 2018. In the 4Q18, softening iPhone demand along with economic pressures in China compounded by the US-China trade dispute all contributed to the decline in Apple shares. In our view, company fundamentals remain intact but slowing product sales will keep expectations reasonable. Recently, Tencent had been facing some headwinds as the Chinese government had put a moratorium on new video game approvals, and we eliminated the position in favor of higher conviction investments with better earnings visibility. Another top detractor from relative performance was education technology provider 2U, whose shares pulled back in the year.

Market Outlook and Investment Strategy [^]

We view the recent stretch of market volatility as a healthy correction that often presents good opportunities to invest in strong companies that are mispriced over the short term. When we look deeper at the foundation of the US economy—the consumer and corporate earnings—we continue to see an encouraging backdrop. Consumers are enjoying a strong employment market with relatively low inflation and interest rates. We believe that reduced corporate tax rates, which potentially lead to higher profits, can increase capital spending for US corporations and expand and strengthen the US economy in 2019.

In our investment strategy, we have a long-term favourable outlook for growth around the themes of technological innovation and advanced medical care. The ongoing “digital transformation” into all areas of the global economy offers compelling investment opportunities as companies use cutting-edge technology, such as cloud computing, automation/robotics and artificial intelligence, for increased profits and productivity. In view of the ageing population and medical advances, we see great opportunities within the health care sector. For example, there has been significant innovation in gene therapy, gene editing, oncology and other areas that harness the power of the body's immune system to fight cancer. We are focused on several key risks for US equity markets in 2019, including appreciation of the dollar, concerns about world trade, rising inflation and rising US interest rates. While the markets' attention on these risks has grown in recent months, the fundamental backdrop of the US economy remains sound and the prospect for a recession in 2019 remains low, in our view. As active managers, we attempt to look beyond short-term market volatility and take advantage of market weakness to build on our long-term investment themes.

[^] 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	(17.10)	(12.55)	(2.96)	N.A.	N.A.	N.A.	34.34
Benchmark*	(16.58)	(8.86)	(0.25)	N.A.	N.A.	N.A.	41.68

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance US Opportunities Equity Fund	N.A.	N.A.	N.A.	10.62
Benchmark*	N.A.	N.A.	N.A.	12.64

*Russell 3000 Growth Index

[^]Inception Date: 28 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV \$ mil
Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund	100.00	2.31
Total	100.00	2.31

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	\$
Subscription	1,342,429
Redemption	317,553

C) Underlying Fund Disclosure

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV \$ mil
United States	97.09	4,832.86
Netherlands	1.03	51.28
United Kingdom	0.48	23.87
China	0.44	22.11
Cash & Cash Equivalents	0.96	47.83
Total	100.00	4,977.95

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV \$ mil
Information Technology	35.80	1,781.98
Health Care	15.88	790.41
Industrials	11.16	555.66
Consumer Discretionary	10.70	532.80
Communication Services	9.21	458.50
Financials	7.35	365.89
Consumer Staples	3.81	189.69
Real Estate	3.37	167.86
Materials	0.95	47.24
Energy	0.81	40.09
Cash & Cash Equivalents	0.96	47.83
Total	100.00	4,977.95

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
Amazon.Com Inc	7.23	359.75
Mastercard Inc	4.99	248.21
Microsoft Corp	4.86	242.02
Alphabet Inc	4.08	203.14
VISA Inc	3.94	196.19
Unitedhealth Group Inc	2.80	139.61
Apple Inc	2.75	136.66
SBA Communications Corp	2.45	122.16
Servicenow Inc	2.35	116.96
Adobe Inc	1.99	99.13

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
Amazon.Com Inc	6.34	274.71
Apple Inc	5.38	232.31
Facebook Inc	4.97	214.66
Mastercard Inc	4.52	195.29
Alphabet Inc	3.85	166.30
Microsoft Corp	3.85	166.26
VISA Inc	3.71	160.26
Celgene Corp	2.40	103.52
SBA Communications Corp	2.20	95.03
Broadcom Ltd	2.06	88.86

V Exposure to Derivatives

N.A.

As at 31 Dec 2018

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Opportunities Equity Fund		Underlying Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.85%	1.84%	1.81%	1.82%
Turnover Ratio	17.23%	12.90%	As at 30-Jun-18*** 25.63%†	As at 31-Dec-17 38.57%†

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 31 Dec 2017 is not available.

***Based on audited figure as at 30 Jun 2018 as the turnover ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 31 Dec 2018 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

N.A.

IV Soft Dollar Commission Arrangement

For the period 1 July 2018 to 31 December 2018, the Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund paid US\$231,012 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 163.

**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.**

HSBC Insurance World Selection Funds

Fund Facts	HSBC Insurance World Selection 1 Fund	HSBC Insurance World Selection 3 Fund	HSBC Insurance World Selection 5 Fund
Launch Date	01 Apr 2010	01 Apr 2010	01 Apr 2010
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Underlying Sub-Fund	HSBC Portfolios – World Selection 1	HSBC Portfolios – World Selection 3	HSBC Portfolios – World Selection 5
CPFIS/SRS		SRS	
CPFIS Risk Classification		N.A.	
As at 31 Dec 2018			
Offer Price	S\$ 1.24122	S\$ 1.32389	S\$ 1.36667
Bid Price	S\$ 1.17916	S\$ 1.25770	S\$ 1.29834
Fund Size	S\$ 2.91 mil	S\$ 8.20 mil	S\$ 17.47 mil
Units in Issue	2.47 mil	6.52 mil	13.45 mil

Fund Objectives

HSBC Insurance World Selection 1 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a low risk investment strategy.

HSBC Insurance World Selection 3 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a medium risk investment strategy.

HSBC Insurance World Selection 5 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a high risk investment strategy.

Investment and Market Review ^

DM equities continued their upward trajectory at the beginning of the period, with particularly strong returns seen from US equity and Japan. The S&P set new all-time highs on the back of continued strong earnings, with Japan equity benefitting from a weaker yen, a robust labour market and rising wage growth. However, sentiment changed rapidly, with global equities falling in October and again in December, as investors questioned the outlook for the global economy and US monetary policy amid simmering US/China trade tensions. The MSCI All Country World Index fell by 9.02% in USD terms over the period. The US Fed raised interest rates by 0.25% in September and December, as expected. Given their latest economic and inflation outlook, the Fed expects to continue normalising monetary policy, but at a slower pace. The UST 10 year yield fell from 2.86% to 2.68% reflecting the change in outlook and increase in risk aversion. Political risks in Europe have caused some divergence in European bonds: the yield on German 10 year bonds fell from 0.30% to 0.24% whereas the yield on Italian 10 year bonds increased from 2.67% to 2.74%.

Market Outlook and Investment Strategy ^

There were a number of possible reasons as to why markets were volatile in 4Q18, ranging from US-China trade concerns, to a fall in global growth and central bank tightening. However, our Nowcast system is still tracking global growth at around 3% and underlying economic fundamentals remain intact. Therefore, we believe that this is a short term period of volatility rather than pointing towards an imminent recession. Chinese equity markets should find support from continued policy easing and favourable valuations. This should also help support the wider EM complex, along with lower oil prices, a subsiding USD and lower Treasury yields. The portfolios have remained underweight fixed income assets as yields and potential returns have remained low. We remain underweight global government bonds, but with a preference for shorter dated USTs. Riskier, EM debt securities remain attractive, especially in local currencies, where potential currency appreciation could provide a tailwind to performance.

We retain our view that the most effective way to access the global growth story is through equities. This is reinforced by the recent falls in equity valuations and our leading indicators suggest that we are not yet at the end of the economic cycle. We retain our preference for Japan equity due to attractive valuations and ultra loose monetary policy. EM equity continues to be attractive despite a challenging backdrop; valuations have improved and there is potential for improvement in macroeconomic performance in 2019.

^ 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 ^A
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance World Selection 1 Fund*	(1.09)	(0.98)	(0.69)	2.97	18.47	N.A.	24.12
HSBC Insurance World Selection 3 Fund*	(6.62)	(5.04)	(5.30)	7.15	20.14	N.A.	32.39
HSBC Insurance World Selection 5 Fund*	(10.78)	(8.26)	(8.15)	8.84	19.80	N.A.	36.67

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)
HSBC Insurance World Selection 1 Fund*	0.98	3.45	N.A.	2.53
HSBC Insurance World Selection 3 Fund*	2.33	3.74	N.A.	3.27
HSBC Insurance World Selection 5 Fund*	2.86	3.68	N.A.	3.65

*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.

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

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

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 2018	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 1	100.00	2.91
Total	100.00	2.91

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	585,219
Redemption	327,373

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

I Allocation by Country

As at 31 Dec 2018

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

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
HSBC Global Government Bond Strategy	25.26	168.33
HSBC FTSE All-World Index	14.70	97.95
HSBC GIF Global Government Bond	12.27	81.76
HSBC Global Corporate Bond Strategy	9.35	62.30
HSBC GIF Global Emerging Market Local Debt	8.25	54.97
HSBC Global Asset Backed Bond	4.98	33.18
HSBC US Dollar Liquidity Y	4.95	32.98
HSBC GIF Global Emerging Markets Bond	3.60	23.99
HSBC GIF Global High Yield Bond	3.34	22.26
HSBC GIF Global Real Estate Equity	3.33	22.19

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
HSBC Global Government Bond Strategy	24.54	162.10
HSBC Global Corporate Bond Strategy	12.09	79.86
HSBC FTSE All-World Index	10.91	72.07
HSBC GIF Global Government Bond	9.97	65.86
HSBC GIF Global Emerging Market Local Debt	7.85	51.86
HSBC Global Asset Backed Bond	5.00	33.03
HSBC GIF Global Corporate Bond	4.96	32.77
HSBC GIF Global High Yield Bond	4.65	30.72
Cash	4.12	27.22
HSBC GIF Global Real Estate Equity	4.00	26.42

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	1.02%
Market value (S\$)	6,763,639
Realised Gains / (Losses) (S\$)	(3,737,921)
Unrealised Gains / (Losses) (S\$)	926,785

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
Use of borrowing in % of Fund Total Net Asset	(0.04%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund		Underlying Sub- Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.66%	1.67%	1.27%	1.29%
Turnover Ratio	22.50%	14.58%	58.55%	40.85%
			As at 31-Dec-18	As at 31-Dec-17

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance World Selection 1 Fund invests S\$2.91 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 01 July 2018 to 31 December 2018 amounts to S\$4,245.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 164.

**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.**

HSBC Insurance World Selection 3 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 3	100.00	8.20
Total	100.00	8.20

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	S\$
Subscription	2,167,755
Redemption	551,058

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

I Allocation by Country

As at 31 Dec 2018

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

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index	19.73	265.10
HSBC American Index	10.71	143.91
HSBC Global Corporate Bond Strategy	8.72	117.17
HSBC GIF Global Emerging Market Local Debt	8.64	116.10
HSBC GIF Global High Yield Bond	5.44	73.10
HSBC GIF Global Emerging Markets Bond	4.89	65.71
HSBC GIF Global Real Estate Equity	4.83	64.90
HSBC US Dollar Liquidity Y	4.76	63.96
Vanguard FTSE All-World ETF	4.33	58.18
HSBC European Index	3.46	46.49

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index	19.78	223.26
HSBC Global Corporate Bond Strategy	10.23	115.47
HSBC American Index	9.26	104.53
HSBC GIF Global Emerging Market Local Debt	8.67	97.87
HSBC GIF Global Corporate Bond	5.69	64.23
HSBC GIF Global High Yield Bond	5.25	59.26
HSBC GIF Global Real Estate Equity	4.90	55.31
HSBC ESI Worldwide Equity ETF	4.61	52.04
HSBC GIF Global Emerging Markets Bond	4.47	50.46
Cash	3.12	35.22

V Exposure to Derivatives

As at 31 Dec 2018

% of NAV	0.68%
Market value (S\$)	9,164,699
Realised Gains / (Losses) (S\$)	(20,150,705)
Unrealised Gains / (Losses) (S\$)	2,681,824

VI Borrowings of Net Asset Value

As at 31 Dec 2018

Use of borrowing in % of Fund Total Net Asset	(0.09%)
---	---------

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance World Selection 3 Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.75%	1.72%	1.46%	1.44%
Turnover Ratio			As at 31-Dec-18	As at 31-Dec-17
	12.50%	13.03%	49.33%	28.64%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

HSBC Insurance World Selection 3 Fund Fund invests S\$8.20 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 01 July 2018 to 31 December 2018 amounts to S\$14,080.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 164.

**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.**

HSBC Insurance World Selection 5 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class

HSBC Portfolios - World Selection 5

Total

	As at 31 Dec 2018
% of NAV	MV S\$ mil
100.00	17.47
100.00	17.47

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

S\$

Subscription

2,679,272

Redemption

870,992

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 5)

I Allocation by Country

As at 31 Dec 2018

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

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

As at 31 Dec 2018
% of NAV MV S\$ mil

HSBC FTSE All-World Index

19.14 81.59

HSBC American Index

17.36 74.00

HSBC European Index

7.43 31.67

iShares Core S&P 500

7.36 31.37

HSBC ESI Worldwide Equity ETF

6.66 28.39

iShares Core MSCI Emerging Markets

6.49 27.67

HSBC GIF Global Real Estate Equity

4.93 21.02

HSBC GIF Global Emerging Market Local Debt

4.83 20.59

HSBC Japan Index

4.25 18.12

Vanguard FTSE All-World ETF

4.24 18.07

Top Ten Holdings of Underlying Sub-Fund

As at 31 Dec 2017
% of NAV MV S\$ mil

HSBC American Index

16.28 66.11

HSBC Worldwide Equity ETF

13.57 55.11

HSBC FTSE All-World Index

12.77 51.86

HSBC ESI Worldwide Equity ETF

8.11 32.93

iShares Core S&P 500

7.93 32.20

HSBC European Index

7.38 29.97

iShares Core MSCI Emerging Markets

5.51 22.38

HSBC GIF Global Real Estate Equity

4.84 19.65

HSBC GIF Global Emerging Market Local Debt

4.77 19.37

HSBC Japan Index

4.10 16.65

V Exposure to Derivatives

As at 31 Dec 2018

% of NAV

0.98%

Market value (S\$)

4,179,459

Realised Gains / (Losses) (S\$)

(4,241,938)

Unrealised Gains / (Losses) (S\$)

2,453,269

VI Borrowings of Net Asset Value

As at 31 Dec 2018

Use of borrowing in % of Fund Total Net Asset

(0.12%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 5 Fund		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-17*	As at 30-Sep-17**
Expense Ratio	1.82%	1.77%	1.53%	1.49%
Turnover Ratio	11.18%	6.98%	72.50%	25.21%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance World Selection 5 Fund invests S\$17.47 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 2018 to 31 December 2018 amounts to S\$36,213.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 164.

**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.**

HSBC Insurance Europe Dynamic Equity Fund (USD)

Fund Objective

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

Investment and Market Review [^]

In a bruising 4Q18, European markets traded sharply lower, ending the quarter down in double-digit territory, leaving them down double-digit as well in the YTD. Having been negatively impacted earlier in the year by Italian political concerns, our overweight to Enel, the Italian electricity firm, was positive for relative returns over the period. The firm delivered 3Q18 results that were broadly in line with expectations, backed by an attractive DPS policy, which served to drive the share price back up. Enel set a minimum DPS for its 2019-2021 strategic plan, which is designed to mitigate some of the country risk for investors. This should be further boosted by the European Commission giving the Italian budget plans a green light.

An overweight to Tele2, the Swedish telecommunications operator, was positive for relative returns in the period. The stock performed strongly after the proposed merger of its Dutch entity with Deutsche Telekom's Dutch entity received EU antitrust approval. An overweight position in the Finnish paper mill company UPM-Kymmene detracted from returns over the quarter. The firm reported 3Q18 results that were below analysts' expectations. In addition, pulp prices in China are currently facing downward pressure: investors have grown concerned that this will mean European pulp producers have to lower their prices to remain competitive. An overweight in the pharmaceutical company Swedish Orphan Biovitrum was negative for returns during the period. The stock sold off after a peer received approval for a competitor drug; it then released 3Q18 numbers that were slightly behind expectations.

Market Outlook and Investment Strategy [^]

2018 has been a disappointing year, despite growth remaining above trend and corporate earnings growing once again. In 2019, growth looks set to remain above trend, and we will also have further clarity on three political issues that have dogged sentiment – Trump's trade war, the UK's exit from the EU, and the Italian government. With earnings set to grow again, valuations look attractive, both in absolute terms and relative to bonds and cash.

Valuation spreads also look elevated, which is normally an environment in which value prospers as a style, and indeed we have seen the performance of value stabilise in the 2H18 after pronounced underperformance in the 1H18, while income as a style has been a leading performer in the 2H18. The market reaction to signs of the ECB starting to tighten policy will be interesting to watch, especially if it results in the euro starting to strengthen against the USD

[^] Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Europe Dynamic Fund (USD)
Fund Manager	J.P. Morgan Asset Management.
Launch Date	17 Oct 2016
CPFIS/SRS	SRS
CPFIS Risk	N.A.
Classification	
As at 31 Dec 2018	
Offer Price	USD 1.00323
Bid Price	USD 1.00323
Fund Size	USD 1.16 mil
Units in Issue	1.15 mil

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)	(14.03)	(13.97)	(13.33)	N.A.	N.A.	N.A.	0.32
Benchmark*	(10.49)	(8.86)	(8.20)	N.A.	N.A.	N.A.	13.07

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	N.A.	N.A.	N.A.	0.15
Benchmark*	N.A.	N.A.	N.A.	5.92

*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 2018	
	% of NAV	MV USD mil
JPMorgan Funds – Europe Dynamic Fund (USD)	100.00	1.16
Total	100.00	1.16

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	632,823
Redemption	4,423

C) Underlying Fund Disclosure (JPMorgan Funds – Europe Dynamic Fund (USD))

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV USD mil
France	19.60	205.46
Switzerland	18.90	198.12
United Kingdom	18.60	194.98
Germany	9.30	97.49
Netherlands	7.90	82.81
Italy	5.00	52.41
Spain	4.00	41.93
Others*	14.40	150.96
Net Liquidity	2.30	24.11
Total	100.00	1,048.27

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV USD mil
Health Care	16.80	176.11
Financials	16.80	176.11
Industrials	13.60	142.56
Energy	10.00	104.83
Communication Services	8.30	87.01
Consumer Discretionary	7.90	82.81
Consumer Staples	7.60	79.67
Others*	16.70	175.06
Net Liquidity	2.30	24.11
Total	100.00	1,048.27

*Includes other industries

III Allocation of Debt Securities by Credit Ratings **As at 31 Dec 2018**
N.A.

	As at 31 Dec 2018	
	% of NAV	MV USD mil
Roche	5.24	54.83
Novartis	4.47	46.85
Nestle	4.42	46.36
Allianz	2.92	30.62
GlaxoSmithKline	2.78	29.16
Rio Tinto	2.53	26.54
Neste	2.49	26.13
Zurich Insurance	2.48	26.01
Enel	2.36	24.77
Repsol	2.25	23.54

	As at 31 Dec 2017	
	% of NAV	MV USD mil
Novartis	4.51	84.40
Allianz	3.64	68.12
Vinci	3.06	57.26
Covestro	2.93	54.83
Engie	2.86	53.52
BASF	2.58	48.28
ING	2.56	47.91
Novo Nordisk	2.43	45.47
STMicroelectronics	2.34	43.79
Partners	2.33	43.60

V Exposure to Derivatives	As at 30 Jun 2018†
% of NAV	0.12%
Market value (EUR)	1,843,487
Realised Gains / (Losses) (EUR)	-
Unrealised Gains / (Losses) (EUR)	1,843,487

† Based on audited figures as at 30 Jun 2018 as the unaudited figures as at 31 Dec 2018 are not available. Amount shown is based on Underlying Sub-Fund based currency.

VI Borrowings of Net Asset Value **As at 31 Dec 2017**
N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Jun-18*	As at 30-Sep-17**
Expense Ratio	1.77%	1.82%	1.73%	1.80%
Turnover Ratio	0.49%	228.32%	146.08%	182.17%
*Based on audited figure as at 30 Jun 2018 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund (USD) for the financial year ended 31 Dec 2018 is not available.				
*Based on audited figure as at 30 Sep 2017 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund (USD) for the financial year ended 31 Dec 2017 is not available.				

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 165.

**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.**

HSBC Insurance Global Emerging Markets Bond Fund (USD)

Fund Objective

HSBC Insurance Global Emerging Markets Bond Fund (USD) invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in emerging markets around the world, primarily denominated in USD, or which are issued or guaranteed by governments, government agencies and supranational bodies of emerging markets. 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 Emerging Markets Bond (USD).

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Emerging Markets Bond (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	SRS		
CPFIS Risk Classification	N.A.		
As at 31 Dec 2018			
Offer Price	USD	1.00052	
Bid Price	USD	1.00052	
Fund Size	USD	0.85	mil
Units in Issue		0.85	mil

Investment and Market Review [^]

EMs hard currency assets saw positive performance in the 2H18, as shifting growth and rate expectations in the US saw a meaningful fall in UST yields towards the end of the year. However, heightened market volatility continued to push investors towards safer havens and spread levels, particularly within the high yield segment, widened significantly.

In this environment, the underweight to higher quality countries, with greater sensitivity to USTs including China, the Philippines, Malaysia, Hungary and Poland detracted from performance. The overweight to Oman also dragged on returns as a fall in oil prices had an exacerbated effect on spreads. However, these losses were partially offset by duration overweights in mid-beta countries including Indonesia, South Africa and Romania, which outperformed in December. Within high yield, the largest detractors were the overweights to Argentina and Turkey. In Argentina, spreads widened following a rapid depreciation in the peso prompting IMF support, central bank rate hikes to 60.00% and the introduction of stringent fiscal targets, pushing the country towards a likely recession. In Turkey, high inflation, deteriorating current account and US sanctions started a reversal of risk sentiment and sharp sell-off in Turkish assets. Finally, the off-benchmark exposure to the Colombian peso detracted given the fall in global oil prices, while the allocation to commodity-related corporates also dragged on returns. However, these losses were partially offset by relative outperformance of the portfolio's cash holdings over the period.

Market Outlook and Investment Strategy [^]

The global growth outlook for 2019 has shifted gears, still growing, but at a slower pace. Yet, we believe the impact of slower DMs growth will be less pronounced on EMD assets. The re-pricing of risk assets through most of 2018 resulted in more attractive risk premia while the yield differential to DMs debt remains compelling. At the same time, risks from rising UST and USD strength have abated as US growth moderates.

2019 will still present challenges as volatility has returned to markets. Idiosyncratic factors will certainly play their part with a heavy EM election calendar (e.g., Argentina, South Africa, India and Indonesia) and a continuation of geopolitical tensions in the Middle East. In terms of macro-risks, the recent pause in US/China tariffs does hold some upside potential, but a meaningful escalation in tensions could weigh on both global trade activity and, most importantly, investor sentiment. Therefore, developments will need to be closely monitored.

In this type of environment, our aim as active investors is to dynamically position our portfolios, retaining sufficient liquidity within the portfolios to be able to take advantage of bouts of idiosyncratic volatility while mitigating risks from what will continue to be a challenging macro-economic backdrop.

[^] 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 Emerging Markets Bond Fund (USD)	(2.56)	(1.09)	(7.69)	N.A.	N.A.	N.A.	0.05
Benchmark*	(1.19)	0.65	(4.61)	N.A.	N.A.	N.A.	5.74

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	N.A.	N.A.	N.A.	0.02
Benchmark*	N.A.	N.A.	N.A.	2.68

*JP Morgan EMBI Global

^Inception Date: 21 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Emerging Markets Bond (USD)	100.00	0.85
Total	100.00	0.85

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	306,981
Redemption	-

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global Emerging Markets Bond (USD))

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV USD mil
Indonesia	10.82	367.37
Turkey	9.46	321.03
Mexico	8.26	280.45
Argentina	8.20	278.48
Russian Federation	5.37	182.43
China	5.04	171.13
Egypt	3.83	130.07
Colombia	3.66	124.15
Peru	3.60	122.30
Others*	41.76	1,417.10
Total	100.00	3,394.51

*Includes other countries

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV USD mil
Sovereign (Hard Ccy)	60.12	2,041.06
Quasi (Hard Ccy)	24.73	839.44
Corporate (Hard Ccy)	10.22	346.83
Local FX	0.92	31.10
Local Sovereign Bonds	0.24	8.01
Cash	3.77	128.07
Total	100.00	3,394.51

III Allocation of Debt Securities by Credit Ratings

	As at 31 Dec 2018	
	% of NAV	MV USD mil
AAA	1.87	63.39
AA	(6.07)	(205.89)
AA-	0.86	29.28
A+	6.07	206.08
A	0.62	21.11
A-	3.94	133.76
BBB+	7.53	255.60
BBB	15.56	528.21
BBB-	20.51	696.18
BB+	2.40	81.41
BB	11.33	384.49
BB-	4.57	155.14
B+	3.58	121.56
B	19.55	663.63
Others*	7.68	260.56
Total	100.00	3,394.51

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV USD mil
Argentina (Republic of) 5.875 01/11/2028	2.04	69.00
Argentina (Republic of) 6.875 01/26/2027	1.68	57.16
Petroleos Mexicanos 4.500 01/23/2026	1.35	45.87
Southern Copper Corp 5.875 04/23/2045	1.21	41.00
Petroleos Mexicanos 6.500 01/23/2029	1.19	40.51
Republic of Indonesia 5.250 01/17/2042	1.14	38.76
Kazmunaigaz Finance Sub 6.375 10/24/2048	1.14	38.73
Pemix Proj FDG Master TR-Globa 6.625 06/15/2035	1.11	37.53
Gabonese Republic 6.375 12/12/2024	1.09	37.01
Egypt (Arab Republic of) 6.588 02/21/2028	1.08	36.74

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV USD mil
Argentina (Republic of) 7.500 04/22/2026	2.48	112.75
Colombia (Republic of) 3.875 04/25/2027	2.07	93.84
Argentina (Republic of) 6.875 01/26/2027	1.73	78.83
Russia Global 4.875 09/16/2023	1.64	74.37
Turkey (Republic of) 4.875 10/09/2026	1.63	73.95
Petroleos Mexicanos 4.500 01/23/2026	1.44	65.48
Argentina (Republic of) 7.625 04/22/2046	1.35	61.51
Dominican Republic 6.875 01/29/2026	1.22	55.56
Argentina (Republic of) 6.875 04/22/2021	1.20	54.47
Ukraine (Republic of) 7.750 09/01/2027	1.16	52.90

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	(0.61%)
Market value (USD)	(20,844,791)
Realised Gains / (Losses) (USD)	(90,610,119)
Unrealised Gains / (Losses) (USD)	(9,915,002)

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I) Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Bond Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.64%	1.62%	1.60%	1.59%

			As at 31-Dec-18	As at 31-Dec-17
Turnover Ratio	1.53%	123.59%	84.40%	56.66%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance Global Emerging Market Bond Fund (USD) invests USD0.85 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Emerging Markets Bond (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 2018 to 31 December 2018 amounts to USD2,206.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 165.

**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.**

HSBC Insurance Global Emerging Markets Equity Fund (USD)

Fund Objective

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

Investment and Market Review ^

December marked the worst end to the year for global equity markets since 1988, to end the year down in negative double digit territory. DMs collapsed, led by the US as it succumbed to the simultaneous threats of slowing global growth and shrinking liquidity after months of decoupled outperformance. The JPM Emerging Markets Equity Fund underperformed the benchmark in December, with country allocation detracting from returns while stock selection was neutral.

Overweight exposure to Argentina, the result of stock selection, hindered performance. Our position in MELI, a leading Latin American e-commerce company, was the main driver of underperformance. MELI is listed on the NASDAQ and the stock sold-off in concert with other U.S. equities as weakening global economic data and concerns over further Fed hikes pushed markets lower and volatility higher. Stock selection in Korea was a headwind in December. NCsoft, a video game developer, underperformed following strong outperformance in November. Chinese regulators banned one of their titles, Blade & Soul, in mid-December, prompting concerns that the embargo could hinder results. Portfolio activity was limited in December, in-line with our long term investment focus. We have maintained exposure to companies with sustainable competitive advantages, consistent cash flow generation, and strong management teams. This has worked well for the portfolio over the long-term and we remain confident that it is the right strategy to pursue in current market conditions.

Market Outlook and Investment Strategy ^

While risk to the relative story for EM vs. DM remains elevated at present, we believe valuations suggest much has been priced in. We continue to advocate taking a long-term view on the growth opportunity and use periods of weakness to build exposure, particularly for clients underweight relative to an all-country world index. We continue to believe that US economic fundamentals do not support further dollar strength, and a dollar pullback would support risk taking in general and a rebound in EM's relative performance. The fund uses our comprehensive research platform to identify high quality businesses that compound earnings sustainably over long periods, resulting in a long-term, high conviction portfolio with a quality and growth bias.

^ Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Emerging Markets Equity Fund (USD)
Fund Manager	J.P. Morgan Asset Management.
Launch Date	17 Oct 2016
CPFIS/SRS	SRS
CPFIS Risk	N.A.
Classification	
As at 31 Dec 2018	
Offer Price	USD 1.18891
Bid Price	USD 1.18891
Fund Size	USD 1.87 mil
Units in Issue	1.57 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)	(6.25)	(9.51)	(15.82)	N.A.	N.A.	N.A.	18.89
Benchmark*	(7.46)	(8.48)	(14.57)	N.A.	N.A.	N.A.	20.91

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	N.A.	N.A.	N.A.	8.47
Benchmark*	N.A.	N.A.	N.A.	9.33

*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 2018	
	% of NAV	MV USD mil
JPMorgan Funds – Emerging Markets Equity Fund (USD)	100.00	1.87
Total	100.00	1.87

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	871,276
Redemption	14,743

C) Underlying Fund Disclosure (JPMorgan Funds – Emerging Markets Equity Fund (USD))

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV USD mil
China	34.30	2,131.60
India	18.90	1,174.55
Brazil	8.90	553.10
Taiwan	6.90	428.81
South Korea	6.00	372.87
South Africa	5.80	360.45
Mexico	3.30	205.08
Russia	2.90	180.22
Others*	11.50	714.67
Net Liquidity	1.50	93.22
Total	100.00	6,214.57

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV USD mil
Financials	39.40	2,448.54
Consumer Discretionary	20.10	1,249.13
Information Technology	13.10	814.11
Consumer Staples	9.80	609.03
Communication Services	8.80	546.88
Industrials	3.60	223.72
Materials	1.90	118.08
Others*	1.80	111.86
Net Liquidity	1.50	93.22
Total	100.00	6,214.57

*Includes other industries

III Allocation of Debt Securities by Credit Ratings **As at 31 Dec 2018**
N.A.

	As at 31 Dec 2018	
	% of NAV	MV USD mil
Tencent	6.00	372.66
AIA	5.35	332.34
Housing Development Finance	5.19	322.28
Taiwan Semiconductor Manufacturing Company	4.86	302.25
Alibaba	4.83	300.02
HDFC Bank	4.82	299.77
Samsung Electronics	4.31	268.15
Ping An Insurance	4.12	256.11
Sberbank of Russia	2.87	178.11
Itau Unibanco	1.90	118.30

	As at 31 Dec 2017	
	% of NAV	MV USD mil
Tencent	7.07	468.01
Alibaba	4.96	328.33
Samsung Electronics	4.55	301.19
Taiwan Semiconductor Manufacturing Company	4.52	299.21
AIA	4.16	275.38
HDFC Bank	4.13	273.39
Ping An Insurance	3.83	253.53
Sberbank of Russia OJSC	3.73	246.91
Housing Development Finance	3.68	243.60
Tata Consultancy Services	2.26	149.60

V Exposure to Derivatives	As at 30 Jun 2018†
% of NAV	(0.04%)
Market value (USD)	(3,033,747)
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	(3,033,747)

† Based on audited figures as at 30 Jun 2018 as the unaudited figures as at 31 Dec 2018 are not available. Amount shown is based on Underlying Sub-Fund based currency.

VI Borrowings of Net Asset Value **As at 31 Dec 2018**
N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Equity Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Jun-18*	As at 30-Sep-17**
Expense Ratio	1.78%	1.82%	1.73%	1.80%
Turnover Ratio	2.08%	6.89%	15.47%	25.25%
*Based on audited figure as at 30 Jun 2018 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund (USD) for the financial year ended 31 Dec 2018 is not available.				
**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund (USD) for the financial year ended 31 Dec 2017 is not available.				

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 165.

**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.**

HSBC Insurance Global Equity Portfolio Fund (USD)

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of developed market equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, developed markets such as OECD countries. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Economic Scale Global Equity Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	SRS		
CPFIS Risk Classification	N.A.		
As at 31 Dec 2018			
Offer Price	USD	1.10680	
Bid Price	USD	1.10680	
Fund Size	USD	1.88	mil
Units in Issue		1.70	mil

Investment and Market Review ^

Global equity market declined in 2018 amid concerns including the slower global economic growth, the US Fed raising interest rates too quickly, the Brexit impasse and other geo-political risks. On a 6-month basis, the fund slightly underperformed its market cap weighed index. While our asset allocation weighed on performance, our stock selection contributed to performance.

On a sector basis, our overweight allocations to Utilities and Consumer Staples coupled with an underweight exposure to Energy contributed to performance. Conversely, our underweight allocations to Health Care and Real Estate coupled with an overweight exposure to Industrials weighed on performance. On a country basis, an underweight allocation to Canada coupled with our overweight exposures to Singapore and Hong Kong contributed to performance. Conversely, our overweight allocations to Germany and Japan coupled with an underweight exposure to US weighed on performance. At the stock level, underweighting Facebook Inc. (Communication Services, USA), Apple Inc. (IT, USA) and Amazon.com Inc. (Consumer Discretionary, USA) contributed to performance. Conversely, overweighting General Electric (Industrials, USA), Royal Dutch (Energy, UK) and Apache Corp. (Energy, USA) weighed on performance.

Market Outlook and Investment Strategy ^

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profits cycle. We believe global equities still offer attractive rewards amid the risks to the growth outlook, whilst corporate fundamentals remain strong. From risk perspective episodic volatility may be triggered by concerns on global trade tensions, Chinese growth and or DMs central bank policy normalisation, coupled with political risks.

^ 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 Portfolio Fund (USD)	(13.68)	(11.29)	(13.06)	N.A.	N.A.	N.A.	10.68
Benchmark*	(14.02)	(9.74)	(9.35)	N.A.	N.A.	N.A.	17.95

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Equity Portfolio Fund (USD)	N.A.	N.A.	N.A.	4.81
Benchmark*	N.A.	N.A.	N.A.	7.95

*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

From October 2017 onwards - MSCI World Net

^Inception Date: 03 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018 % of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale Global Equity Fund	100.00	1.88
Total	100.00	1.88

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	833,956
Redemption	58,981

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Economic Scale Global Equity Fund(USD))

I Allocation by Country

Country	As at 31 Dec 2018 % of NAV	MV USD mil
United States	43.86	62.76
Japan	12.62	18.06
United Kingdom	8.13	11.64
France	6.88	9.84
Germany	6.26	8.96
Canada	2.59	3.71
Switzerland	2.49	3.56
Spain	2.19	3.13
Others*	13.10	18.74
Cash	1.88	2.69
Total	100.00	143.09

*Includes other countries

II Allocation by Industry	As at 31 Dec 2018	
	% of NAV	MV USD mil
Financials	16.64	23.81
Industrials	16.51	23.63
Consumer Discretionary	12.50	17.89
Consumer Staples	9.98	14.28
Communication Services	8.60	12.30
Information Technology	8.52	12.19
Health Care	8.10	11.59
Energy	5.86	8.38
Materials	5.47	7.82
Utilities	4.37	6.26
Real Estate	1.57	2.25
Cash	1.88	2.69
Total	100.00	143.09

III Allocation of Debt Securities by Credit Ratings	As at 31 Dec 2018
N.A.	

IV Top Ten Holdings of Underlying Sub- Fund	As at 31 Dec 2018	
	% of NAV	MV USD mil
Walmart INC	1.68	2.42
General Electric Co	1.05	1.50
Royal Dutch Shell PLC	0.79	1.13
Wells Fargo & Co	0.77	1.10
Apple Inc	0.75	1.07
AT&T Inc	0.74	1.06
JP Morgan Chase & Co	0.70	1.00
Volkswagen AG	0.68	0.97
Nippon Telegraph & Tel Corp	0.61	0.87
Bank of America Corp	0.60	0.86

Top Ten Holdings of Underlying Sub- Fund	As at 31 Dec 2017	
	% of NAV	MV USD mil
Wal-Mart Stores Inc	1.81	3.12
General Electric Co	1.10	1.90
AT&T Inc	0.91	1.58
Exxon Mobil Corp	0.82	1.42
Volkswagen AG	0.80	1.39
Royal Dutch Shell PLC	0.79	1.36
Wells Fargo & Co	0.73	1.26
Apple Inc	0.68	1.17
JP Morgan Chase & Co	0.67	1.15
Bank of America Corp	0.60	1.03

V Exposure to Derivatives	As at 31 Dec 2018
% of NAV	0.11%
Market value (USD)	163,833
Realised Gains / (Losses) (USD)	(132,992)
Unrealised Gains / (Losses) (USD)	(99,039)

VI Borrowings of Net Asset Value	As at 31 Dec 2018
Use of borrowing in % of Fund Total Net Asset	(0.02%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	0.99%	0.98%	0.95%	0.95%
Turnover Ratio	20.43%	1.25%	39.55%	48.46%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

HSBC Insurance Global Equity Portfolio Fund (USD) invests USD1.88 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Economic Scale Global 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 2018 to 31 December 2018 amounts to USD2,437.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 166.

**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.**

HSBC Insurance Global Equity Volatility Focused Fund (USD)

Fund Objective

HSBC Insurance Global Equity Volatility Focused Fund (USD) aims to provide long term total return by investing in a portfolio of equities worldwide. The Fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. It may also invest in eligible closed-ended Real Estate Investment Trusts ("REITS"). Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment – Global Equity Volatility Focused (USD).

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	SRS		
CPFIS Risk Classification	N.A.		
As at 31 Dec 2018			
Offer Price	USD	1.05044	
Bid Price	USD	1.05044	
Fund Size	USD	0.04	mil
Units in Issue		0.04	mil

Investment and Market Review [^]

The 2H18 saw global equity markets deliver negative returns, however, the period started positively as upbeat corporate earnings results and economic data releases outweighed lingering global trade concerns. The following months saw the market fall sharply, a result of a sell-off in US equities as strong economic data, rising wage growth and market expectations of higher interest rates, led to higher long-term treasury yields, thus increasing their appeal relative to equities. The period concluded with further negative movement on the back of global economic growth concerns and lingering trade tensions. The fund outperformed the index over the period.

Contributors to relative performance included Guangdong Investment, an infrastructure investment company that held up well in the down market given its defensive characteristics. Additionally, IQVIA Holdings advanced after the company reported a solid 3Q18, driven by strong bookings, and raised guidance, both of which are indicative of the merger thesis playing out.

Partially offsetting this was BAE Systems, which fell after the company was downgraded by analysts citing risks to civil aviation in the near-term, namely oil prices, trade wars, currencies and potential overcapacity. Furthermore, Capgemini saw its share price slide after issuing guidance that implied a lower like-for-like growth in 2H2018.

Sector and country allocation, residual to stock selection, was mixed for the period. Country allocation detracted thanks to an underweight exposure to Brazil and overweight UK, whilst sector allocation contributed given an underweight exposure to Communication Services.

Market Outlook and Investment Strategy [^]

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profit cycle. Global economic growth momentum remains solid, driving global equity markets to deliver positive returns over the long term. Overall, support from still loose monetary policy and fiscal policy may, in the medium and longer term, outweigh any headwinds from more modest Chinese growth, trade tensions, and political uncertainty in many regions.

While volatility appears benign, investors should not be complacent. Fairly narrow implied equity premia (excess return over cash) limit the ability of the market to absorb bad news. Episodic volatility may be triggered by concerns surrounding global trade protectionism, Chinese growth, and/or a potentially more rapid than expected Fed, ECB or BoJ normalisation of policy, coupled with political risks. A notable and persistent deterioration of the global economic outlook could also dampen our view.

[^] 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 (USD)	(13.47)	(9.16)	(9.39)	N.A.	N.A.	N.A.	5.04
Benchmark*	(13.33)	(9.62)	(10.01)	N.A.	N.A.	N.A.	10.15

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	N.A.	N.A.	N.A.	2.50
Benchmark*	N.A.	N.A.	N.A.	4.98 [^]

*MSCI AC World Net

[^]Inception Date: 04 Jan 2017

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Equity Volatility Focused (USD)		
Total	100.00	0.04

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	15,626
Redemption	-

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV USD mil
United States	45.94	86.90
United Kingdom	13.99	26.46
Japan	10.54	19.94
Germany	6.12	11.57
China	5.90	11.15
France	2.41	4.55
Italy	2.37	4.49
Netherlands	2.34	4.42
Others*	7.14	13.51
Cash	3.25	6.15
Total	100.00	189.14

*Includes other countries

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV USD mil
Financials	19.60	37.07
Information Technology	17.06	32.26
Industrials	13.22	25.00
Health Care	11.13	21.05
Consumer Discretionary	9.00	17.03
Consumer Staples	7.42	14.03
Communication Services	6.43	12.16
Energy	5.58	10.56
Materials	3.36	6.36
Real Estate	2.14	4.04
Utilities	1.81	3.43
Cash	3.25	6.15
Total	100.00	189.14

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Fund

	As at 31 Dec 2018	
	% of NAV	MV USD mil
Compass Group PLC	2.49	4.69
Microsoft Corp	2.44	4.61
Home Depot Inc	2.42	4.58
IQVIA Holdings Inc	2.28	4.31
Johnson & Johnson	2.26	4.28
UnitedHealth Group Inc	2.14	4.05
McDonalds Corp	2.14	4.05
Cisco Systems Inc	2.09	3.96
Munchener Ruckvers AG	2.07	3.92
Bank of America Corp	2.04	3.86

Top Ten Holdings of Underlying Fund

	As at 31 Dec 2017	
	% of NAV	MV USD mil
Home Depot Inc	2.35	4.02
Compass Group PLC	2.24	3.84
Mitsubishi UFJ Financial Grp Inc	2.18	3.73
Apple Inc	2.17	3.71
Kao Corp	2.15	3.69
Johnson & Johnson	2.15	3.69
Bank of America Corp	2.15	3.68
3M Co	2.14	3.66
Cisco Systems Inc	2.12	3.63
Phillips 66	2.06	3.53

V Exposure to Derivatives

As at 31 Dec 2018

% of NAV	(0.12%)
Market value (USD)	(221,056)
Realised Gains / (Losses) (USD)	(2,062,154)
Unrealised Gains / (Losses) (USD)	(231,976)

VI Borrowings of Net Asset Value

As at 31 Dec 2018

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance Global Equity Volatility Focused Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.89%	1.89%	1.85%	1.86%
Turnover Ratio	111.43%	152.47%	29.19%	54.02%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance Global Equity Volatility Focused Fund (USD) invests USD0.04 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 01 July 2018 to 31 December 2018 amounts to USD128.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 166.

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.

HSBC Insurance Global High Income Bond Fund (USD)

Fund Objective

HSBC Insurance Global High Income Bond Fund (USD) invests 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. 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 Hedge Fund (USD).

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global High Income Bond Hedge Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	SRS		
CPFIS Risk Classification	N.A.		
As at 31 Dec 2018			
Offer Price	USD	1.02390	
Bid Price	USD	1.02390	
Fund Size	USD	0.92	mil
Units in Issue		0.90	mil

Investment and Market Review [^]

The 3Q18 started with a risk asset rally in response to a perceived de-escalation in the trade wars as well as strong US economic data. Mid quarter this rally gave way to spread widening as investor sentiment shifted due to EM concerns as well as refreshed concern over trade tensions. The quarter ended strongly however with spreads tightening as risk on investor sentiment, a recovery in EM as well as favorable technicals help moved spreads to the tight end of their range. Investor sentiment turned negative again in 4Q18 with falling oil prices and renewed concerns over slowing growth and continued trade issues saw market volatility increase with fears of a looming recession causing risk asset to sell off globally.

The strategy delivered positive absolute performance outperforming its reference benchmark gross of fees over the period. Regional allocations were positive over all for relative performance as while the underweights to EM and EUR bonds detracted from performance as these regions performed strongly, the allocation to ABS countered this with positive contribution as ABS also performed well. Credit selection was flat for performance as the positive contribution from the EUR and EM sleeves was countered by the negative contribution from the USD sleeves.

Market Outlook and Investment Strategy [^]

The strategy is overweight the US at the expense of EUR and EM. The USD, EUR, and EM sleeve weights are 36%, 20%, and 30%, respectively. Within USD bonds, the strategy is overweight the US BBB sleeve and slightly underweight the US BB sleeve. The strategy also has an off-benchmark position in ABS of 13%. The overall portfolio beta is close to 1 while the duration is 0.15 years below the benchmark. The main sector overweight is to financials, predominantly through the USD BBB and EUR sleeve where we see value given relatively strong fundamentals vs other sectors. The strategy is also overweight energy, mainly in USD and EM bonds. The main sector underweight is to communication where we remain cautious on tight valuations and event risk M&A activity and we are also underweight consumer non-cyclicals on tight valuations.

Global economic growth has moderated. In particular, the Eurozone, UK and Japanese economies have shown signs of slowing down while the US which is later on in the cycle continues to grow at a stronger pace but now also with an outlook for moderating economic activity. The US administration's protectionist trade stance continues to roil markets as the anticipated effects on global growth filter through to market sentiment. While moderating, we still view the balance of risks tilted towards the gradual build-up of cyclical inflation pressures. This is especially relevant to the US which continues to add jobs at a healthy pace and is operating with little or no spare capacity

[^] 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 (USD)	(1.82)	(0.37)	(3.02)	N.A.	N.A.	N.A.	2.39
Benchmark*	(0.95)	0.70	(1.67)	N.A.	N.A.	N.A.	4.99

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund (USD)	N.A.	N.A.	N.A.	1.10
Benchmark*	N.A.	N.A.	N.A.	2.28

*35% EMD Barclays Emerging Markets USD Index +20% Barcap U.S Corp Baa + 15% Barcap US High Yield Ba + 15% BarCap EuroAgg Corporate BaaUSD Hedged + 15% BarCap Euro HY BB Rating Only USD Hedged.

[^]Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global High Income Bond (USD)	100.00	0.92
Total	100.00	0.92

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	298,717
Redemption	5,971

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV USD mil
United States	34.87	517.34
France	7.17	106.36
United Kingdom	5.35	79.45
China	3.74	55.56
Germany	3.45	51.24
Cayman Islands	2.98	44.22
Ireland	2.79	41.47
Brazil	2.37	35.14
Others*	35.47	526.14
Cash	1.81	26.90
Total	100.00	1,483.82

*Includes other countries

II Allocation by Industry		As at 31 Dec 2018	
Industry	% of NAV	MV USD mil	
Financial Institutions	22.05	327.24	
Sovereign	12.65	187.74	
Agencies	10.96	162.66	
Energy	6.72	99.74	
Basic Industry	6.56	97.33	
Consumer Cyclical	6.28	93.15	
ABS	6.21	92.10	
Communications	6.14	91.12	
CMBS	4.59	68.17	
Consumer Non cyclical	4.01	59.57	
Others*	12.02	178.10	
Cash	1.81	26.90	
Total	100.00	1,483.82	

*Includes other industries

III Allocation of Debt Securities by Credit Ratings		As at 31 Dec 2018	
Rating	% of NAV	MV USD mil	
AAA	2.98	44.32	
AA	1.75	25.94	
A	9.76	144.83	
BBB	42.40	629.14	
BB	26.99	400.46	
B	12.02	178.34	
CCC	0.48	7.12	
D	0.08	1.16	
Unrated	1.73	25.61	
Cash	1.81	26.90	
Total	100.00	1,483.82	

IV Top Ten Holdings of Underlying Sub-Fund		As at 31 Dec 2018	
	% of NAV	MV USD mil	
AT&T Inc 5.250 01/03/37	0.54	8.10	
Brazil (Fed Rep of) 4.875 22/01/21	0.45	6.74	
Sinopec Capital 3.125 24/04/23	0.45	6.68	
SCOR 3.000 08/06/26	0.45	6.66	
Union Bank Of Switzerland 4.750 12/02/21	0.43	6.36	
MPT Operating Partnership L 5.000 15/10/27	0.42	6.18	
Citigroup Inc 4.168 01/09/23	0.41	6.08	
Sinopec Group Overseas Deve 1.750 29/09/19	0.41	6.08	
Smurfit Kappa Acquisitions 3.250 01/06/21	0.41	6.02	
BNP Paribas 2.625 14/10/22	0.40	5.99	

Top Ten Holdings of Underlying Sub-Fund		As at 31 Dec 2017	
	% of NAV	MV USD mil	
Ineos Group Holdings SA 5.375 8/1/2024	0.43	9.98	
Argentina (Republic of) 6.875 4/22/2021	0.42	9.47	
Republic of Indonesia 4.125 1/15/2025	0.41	9.37	
Turkey (Republic of) 4.875 10/9/2026	0.38	8.70	
Ente Nazionale Per L'energi 5.000 1/15/2020	0.36	8.17	
Snam Spa 1.250 1/25/2025	0.36	8.13	
Unicredito Italiano Spa 2.125 10/24/2026	0.35	8.02	
Colombia (Republic of) 3.875 4/25/2027	0.35	7.89	
ABN Amro Bank nv 7.125 7/6/2022	0.35	7.88	
Italgas Spa 1.125 3/14/2024	0.34	7.72	

V Exposure to Derivatives	As at 31 Dec 2018
% of NAV	(0.16%)
Market value (USD)	(2,326,345)
Realised Gains / (Losses) (USD)	12,137,329
Unrealised Gains / (Losses) (USD)	(5,311,413)

VI Borrowings of Net Asset Value	As at 31 Dec 2018
Use of borrowing in % of Fund Total Net Asset	(0.05%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global High Income Bond Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.54%	1.53%	1.50%	1.50%
Turnover Ratio	4.41%	3.85%	As at 31-Dec-18 67.08%	As at 31-Dec-17 65.34%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance Global High Income Bond Fund (USD) invests USD0.92 million, equivalent to 100.00% 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 01 July 2018 to 31 December 2018 amounts to USD2,435.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 166.

**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.**

HSBC Insurance India Equity Fund (USD)

Fund Objective

HSBC Insurance India Equity Fund (USD) seeks long-term capital growth through a diversified portfolio of investments in equity and equity-equivalent securities of companies registered in, and/or with an official listing on a major stock exchange or other regulated market of India, as well as those with significant operations in India. Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds - Indian Equity (USD).

Investment and Market Review [^]

The GIF Indian Equity Fund fell 1.6% in the 2H18

gross of fees,(USD terms) while its benchmark, the S&P IFCI/India Gross Index fell 1.3% over the same period. Sentiment during the period was initially negatively impacted by the rising price of oil (for which India is a major net importer), a weaker Rupee, global trade tensions. Market sentiment was also dented by the concerns around liquidity issues in the non-banking financial institution space. The Government announced the MSP for monsoon crops and this was fixed at least 1.5 times the cost of production. The MSPs will be supportive of rural incomes but are also expected to be inflationary in nature. The GST council reduced tax rates on 88 items largely in the consumer segments, majority of which saw the tax rate getting reduced from 28% to 18%. Meanwhile the recorded rainfall in for the monsoon period has been weaker than anticipated. Later in the period the market recovered somewhat as the price of oil plummeted, the Rupee stabilized, and inflation moderated.

The fund underperformed the index mainly due to its underweight to the energy and consumer staples sectors, and stock selection effects in materials. Stock selection in financials and health care contributed most positively.

Market Outlook and Investment Strategy [^]

After the correction in crude oil prices since the beginning of October 2018 and some resultant reversal in the currency depreciation cycle, the macro concerns around a widening current account deficit may wear off, depending on the sustainability of these trends. On the monetary policy front, the rate tightening cycle is likely to see a pause with inflation very much under control while the 'calibrated tightening' stance adopted by the RBI may also be revisited depending on the incoming data. As the government gets into the general elections mode, we may see an uncertainty risk being priced into valuations. We remain constructive on the India story from a medium to long term perspective and that a cyclical recovery is underway. Looking ahead, the GST regime will lead to faster formalization of the economy, broaden the tax base, improve the fiscal situation and improve the ease of doing business. Policies to structurally repair the banking sector will go a long way to help revive credit growth and move the economy forward.

Overall, we continue to prefer cyclical sectors over defensives, given our belief that the economy is undergoing a gradual recovery. From a long-term perspective, cyclicals are still very cheap and we continue to like financials and consumer discretionary and are most underweight to energy.

[^] Source: HSBC Global Asset Management (HK) Limited

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	SRS		
CPFIS Risk	N.A.		
Classification			
As at 31 Dec 2018			
Offer Price	USD	1.10882	
Bid Price	USD	1.10882	
Fund Size	USD	1.00	mil
Units in Issue		0.90	mil

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)	3.34	(2.49)	(14.94)	N.A.	N.A.	N.A.	10.88
Benchmark*	4.06	(1.32)	(9.46)	N.A.	N.A.	N.A.	22.83

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund (USD)	N.A.	N.A.	N.A.	4.89
Benchmark*	N.A.	N.A.	N.A.	9.98

* S&P / IFCI India Gross

[^]Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds - Indian Equity Fund (USD)	100.00	1.00
Total	100.00	1.00

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	431,441
Redemption	3,852

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

I Allocation by Country

Country	As at 31 Dec 2018	
	% of NAV	MV USD mil
India	98.88	1,385.88
Cash	1.12	15.63
Total	100.00	1,401.51

II Allocation by Industry

Industry	As at 31 Dec 2018	
	% of NAV	MV USD mil
Financials	37.47	525.28
Information Technology	12.77	178.92
Consumer Discretionary	11.34	158.92
Materials	9.71	136.03
Energy	6.18	86.55
Consumer Staples	5.68	79.58
Industrials	4.71	66.06
Health Care	3.65	51.22
Communication Services	3.11	43.62
Utilities	2.72	38.09
Real Estate	1.54	21.61
Cash	1.12	15.63
Total	100.00	1,401.51

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV USD mil
HDFC Bank Ltd	9.81	137.27
Infosys Ltd	8.59	120.44
ICICI Bank Ltd	6.07	85.08
Axis Bank Ltd	5.61	78.61
Reliance Industries Ltd	4.98	69.78
Housing Development Finance Corp	4.49	62.88
ITC Ltd	4.33	60.73
Maruti Suzuki India Ltd	4.30	60.32
HCL Technologies Ltd	4.17	58.48
Grasim Industries Ltd	3.47	48.67

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV USD mil
Infosys Ltd	6.39	120.21
HDFC Bank Ltd	6.38	120.10
Maruti Suzuki India Ltd	5.57	104.93
ICICI Bank Ltd	5.32	100.26
Axis Bank Ltd	4.71	88.68
Housing Development Finance Corp	3.92	73.82
ITC Ltd	3.79	71.45
Vedanta Ltd	3.62	68.16
Grasim Industries Ltd	3.51	66.09
Tata Motors Ltd	3.42	64.33

V Exposure to Derivatives

N.A.

As at 31 Dec 2018

VI Borrowings of Net Asset Value

N.A.

As at 31 Dec 2018

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.95%	1.92%	1.90%	1.90%
Turnover Ratio	2.87%	211.34%	18.39%	17.77%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance India Equity Fund (USD) invests USD1.00 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 01 July 2018 to 31 December 2018 amounts to USD1,956.

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

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

Soft Commission arrangements referred to herein relate solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission that are utilized by the Company.

The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the sub-funds concerned. All transactions were entered into in the ordinary course of business and on normal commercial terms.

Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 167.

**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.**

HSBC Insurance Pacific Equity Fund (USD)

Fund Objective

HSBC Insurance Pacific Equity Fund (USD) aims to provide holders with medium to long-term capital growth from a diversified portfolio of Asian-Pacific equities excluding Japanese equities. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Aberdeen Standard Select Portfolio – Aberdeen Pacific Equity Fund (USD)

Investment and Market Review ^

Asian equities declined in the 2H18. Initially, encouraging corporate earnings results supported sentiment. Subsequently, a broad-based selloff that started in October dragged Asian equities lower in the 4Q18. Still-heightened US-China trade tensions, slowing global growth, and worsening political risks hampered markets, along with The Fed's policy tightening. The Fed raised rates for a fourth time, and forecast further hikes in 2019. North Asian markets fell the most, with economic worries hurting mainland markets. In contrast, India, Indonesia and the Philippines were resilient as the USD weakened and oil prices fell on oversupply concerns.

Market Outlook and Investment Strategy ^

We expect volatility to persist through 2019 as policy continues to drive markets. US-China tensions seem to have eased as a truce has been drawn. But they could flare-up again and remains a source of uncertainty. China's slowing growth adds to fears of a deeper global slowdown. Political risks will also become more salient, as major elections in India and Indonesia could derail reform efforts, while Thai voters will also cast their ballots. That said, we are seeing more encouraging signals. With US data weakening, the Fed has turned more dovish in its tone. This could be a potential positive for Asian stockmarkets and currencies. China, meanwhile, is targeting a consumption boost via tax cuts and easing of lending, in efforts to support a sputtering economy.

Against this backdrop, profit forecasts of many of our holdings are still decent, despite more cautious guidance. Lower energy prices should help ease cost pressures and improve margins. Although we are seeing substantial value emerging following 2018's sell-offs, we still need to be selective. We continue to focus on stocks with solid balance sheets, stable cash flows and pricing power. We believe such companies will have the wherewithal to withstand such volatile times.

^ Source: Aberdeen Standard Investments (Asia) Limited

FUND FACTS

Underlying Sub-Fund

Aberdeen Standard Select Portfolio -Aberdeen Standard Pacific Equity Fund (USD)
Aberdeen Standard Investments (Asia) Limited
17 Oct 2016
SRS
N.A.

Fund Manager

Launch Date

CPFIS/SRS

CPFIS Risk

Classification

As at 31 Dec 2018

Offer Price

USD 1.10340

Bid Price

USD 1.10340

Fund Size

USD 4.40 mil

Units in Issue

3.99 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund (USD)	(6.09)	(7.49)	(11.98)	N.A.	N.A.	N.A.	10.34
Benchmark*	(8.82)	(10.04)	(13.68)	N.A.	N.A.	N.A.	15.87

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund (USD)	N.A.	N.A.	N.A.	4.66
Benchmark*	N.A.	N.A.	N.A.	7.05

*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 2018	
	% of NAV	MV USD mil
Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund	100.00	4.40
Total	100.00	4.40

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	2,199,863
Redemption	44,729

C) Underlying Sub-fund Disclosure (Aberdeen Standaard Select Portfolio - Aberdeen Pacific Equity Fund (USD))

I Allocation by Country

Country	As at 30 Sep 2018†	
	% of NAV	MV USD mil
China	19.33	202.52
Singapore	13.16	137.90
Hong Kong	12.36	129.44
South Korea	9.91	103.79
India	9.87	103.35
United Kingdom	7.68	80.46
Taiwan	5.61	58.77
Australia	4.57	47.91
Others*	15.55	162.88
Cash	1.96	20.55
Total	100.00	1,047.57

*Includes other countries

† Based on audited figures as at 30 Sep 2018 as the unaudited figures as at 31 Dec 2018 are not available.

II Allocation by Industry	As at 30 Sep 2018†	
	% of NAV	MV USD mil
Industry		
Unit Trusts	26.58	278.39
Financials	20.61	215.92
Information Technology	12.69	132.98
Communication Services	9.34	97.86
Materials	9.30	97.38
Real Estate	8.04	84.24
Industrials	4.75	49.77
Consumer Discretionary	2.60	27.23
Healthcare	2.53	26.54
Consumer Staples	1.60	16.71
Cash	1.96	20.55
Total	100.00	1,047.57

III Allocation of Debt Securities by Credit Ratings	As at 30 Sep 2018†
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Sep 2018†	
	% of NAV	MV USD mil
Aberdeen Standard Singapore Equity Fund	7.18	75.36
Aberdeen Global - Indian Equity Fund ^	7.11	74.45
Samsung Electronics (Preference Shares)	5.68	59.46
Aberdeen Standard China Opportunities Fund	4.82	50.49
Taiwan Semiconductor Manufacturing Company	4.62	48.37
Tencent	4.41	46.17
Aberdeen Standard Thailand Equity Fund	3.33	34.93
AIA Group	2.79	29.26
China Resources Land	2.79	29.18
Ping An Insurance	2.52	26.38

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Sep 2017&	
	% of NAV	MV USD mil
Aberdeen Global – Indian Equity Fund ^	8.30	92.87
Aberdeen Singapore Equity Fund	7.23	80.92
Aberdeen China Opportunities Fund	7.02	78.60
Samsung Electronics (Preference Shares)	4.59	51.33
Taiwan Semiconductor Manufacturing Company	3.84	42.98
Aberdeen Indonesia Equity Fund	3.37	37.74
Aberdeen Thailand Equity Fund	3.27	36.64
AIA Group	3.13	35.05
Jardine Strategic Holdings	2.87	32.09
Rio Tinto	2.51	28.14

^ The underlying fund is not authorized for public sale in Singapore

V Exposure to Derivatives	As at 30 Sep 2018†
N.A.	

VI Borrowings of Net Asset Value	As at 30 Sep 2018†
N.A.	

& Based on audited figures as at 30 Sep 2017 as the unaudited figures as at 31 Dec 2017 are not available.

† Based on audited figures as at 30 Sep 2018 as the unaudited figures as at 31 Dec 2018 are not available.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Pacific Equity Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.80%	1.69%	1.75%	1.67%
Turnover Ratio	10.73%	1.93%	17.69%	15.43%

*Based on audited figures as at 30 Sep 2018 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD) for the financial year ended 31 Dec 2018 are not available.

**Based on audited figures as at 30 Sep 2017 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD) for the financial year ended 31 Dec 2017 are not available.

II Related-Party Transactions

Cash balances maintained with HSBC Bank as at 31 Dec 2018 amounts to USD884.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 167.

**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.**

HSBC Insurance US Equity Portfolio Fund (USD)

FUND FACTS

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of US equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, the United States of America. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

Underlying Sub-Fund

Fund Manager

Launch Date

CPFIS/SRS

CPFIS Risk

Classification

As at 31 Dec 2018

Offer Price

Bid Price

Fund Size

Units in Issue

HSBC Global Investment Funds – Economic Scale US Equity Fund (USD)

HSBC Global Asset Management (Singapore) Limited

17 Oct 2016

SRS

N.A.

USD 1.11735

USD 1.11735

USD 1.31 mil

1.17 mil

Investment and Market Review ^

Global equity market declined in 2018 amid concerns including the slower global economic growth, the US Fed raising interest rates too quickly, the Brexit impasse and other geo-political risks.

On a 6-month basis, the fund underperformed its market cap weighed index. While our asset allocation contributed to the performance largely in line with the benchmark, our stock selection weighed on performance.

On a sector basis, an overweight allocation to Consumer Staples coupled with our underweight exposures to Communication Services and IT contributed to performance. Conversely, an overweight allocation to Industrials coupled with our underweight exposures to Health Care and Utilities weighed on performance. At the stock level, underweighting Facebook Inc. (Communication Services, US), Apple Inc. (IT, USA) and Amazon.com Inc. (Consumer Discretionary, USA) contributed to performance. Conversely, overweighting General Electric (Industrials), Flex Ltd. (IT) and Adient Plc (Consumer Discretionary) weighed on performance.

Market Outlook and Investment Strategy ^

Our measure of the US equity risk premium (excess return over cash) is still reasonable given corporate fundamentals remain strong, the earnings growth outlook appears solid in our opinion, and the US macroeconomic backdrop still looks robust. From risk perspective, further Fed policy tightening poses risks, especially as the US economic cycle matures. Risks from US protectionism also need to be considered, especially if further rounds of tit-for-tat actions towards China materialise.

^ 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 US Equity Portfolio Fund (USD)	(15.64)	(11.77)	(11.61)	N.A.	N.A.	N.A.	11.74
Benchmark*	(14.39)	(7.92)	(5.75)	N.A.	N.A.	N.A.	20.60

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance US Equity Portfolio Fund (USD)	N.A.	N.A.	N.A.	5.27
Benchmark*	N.A.	N.A.	N.A.	9.05

* Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

From October 2017 onwards - S&P 500 Net

^Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 31 Dec 2018	
Asset Class	% of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale US Equity Fund (USD)	100.00	1.31
Total	100.00	1.31

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	650,317
Redemption	36,734

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

I Allocation by Country

	As at 31 Dec 2018	
Country	% of NAV	MV USD mil
United States	98.32	840.33
Cash	1.68	14.39
Total	100.00	854.72

II Allocation by Industry

	As at 31 Dec 2018	
Industry	% of NAV	MV USD mil
Industrials	16.17	138.27
Financials	14.56	124.45
Consumer Discretionary	13.29	113.57
Information Technology	13.10	111.95
Consumer Staples	10.94	93.48
Health Care	9.25	79.02
Communication Services	7.51	64.22
Energy	5.94	50.81
Materials	3.65	31.21
Real Estate	2.07	17.65
Utilities	1.84	15.70
Cash	1.68	14.39
Total	100.00	854.72

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV USD mil
Walmart INC	3.75	32.21
General Electric Co	2.00	17.07
AT&T Inc	1.28	10.92
Wells Fargo & Co	1.21	10.32
Apple Inc	1.18	10.05
Bank of America Corp	1.17	10.01
JP Morgan Chase & Co	1.14	9.72
United Parcel Service Inc	1.06	9.05
Exxon Mobil Corp	0.96	8.22
Berkshire Hathaway Inc	0.89	7.60

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV USD mil
Wal-Mart Stores Inc	3.14	30.16
General Electric Co	1.90	18.19
AT&T Inc	1.58	15.15
Exxon Mobil Corp	1.45	13.87
Wells Fargo & Co	1.27	12.15
Apple Inc	1.18	11.29
JP Morgan Chase & Co	1.16	11.10
Bank of America Corp	1.03	9.89
United Parcel Service Inc	1.00	9.56
Chevron Corp	0.92	8.81

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	0.10%
Market value (USD)	890,345
Realised Gains / (Losses) (USD)	(3,174,347)
Unrealised Gains / (Losses) (USD)	330,528

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	0.79%	0.78%	0.75%	0.75%
Turnover Ratio	11.88%	4.96%	25.78%	18.14%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance US Equity Portfolio Fund (USD) invests USD\$1.31 million, equivalent to 100.00% 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 2018 to 31 December 2018 amounts to USD1,158.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 167.

**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.**

HSBC Insurance World Selection Funds (USD)

Fund Facts	HSBC Insurance World Selection 1 Fund (USD)	HSBC Insurance World Selection 3 Fund (USD)	HSBC Insurance World Selection 5 Fund (USD)
Launch Date	17 Oct 2016	17 Oct 2016	17 Oct 2016
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Underlying Sub-Fund	HSBC Portfolios – World Selection 1 USD	HSBC Portfolios – World Selection 3 USD	HSBC Portfolios – World Selection 5 USD
CPFIS/SRS		SRS	
CPFIS Risk Classification		N.A.	
As at 31 Dec 2018			
Offer Price	USD 1.01113	USD 1.04541	USD 1.07631
Bid Price	USD 1.01113	USD 1.04541	USD 1.07631
Fund Size	USD 0.18 mil	USD 0.68 mil	USD 0.55 mil
Units in Issue	0.18 mil	0.65 mil	0.51 mil

Fund Objectives

HSBC Insurance World Selection 1 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a low risk investment strategy.

HSBC Insurance World Selection 3 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a medium risk investment strategy.

HSBC Insurance World Selection 5 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a high risk investment strategy.

Investment and Market Review [^]

DM equities continued their upward trajectory at the beginning of the period, with particularly strong returns seen from US equity and Japan. The S&P set new all-time highs on the back of continued strong earnings, with Japan equity benefitting from a weaker yen, a robust labour market and rising wage growth. However, sentiment changed rapidly, with global equities falling in October and again in December, as investors questioned the outlook for the global economy and US monetary policy amid simmering US/China trade tensions. The MSCI All Country World Index fell by 9.02% in USD terms over the period. The US Fed raised interest rates by 0.25% in September and December, as expected. Given their latest economic and inflation outlook, the Fed expects to continue normalising monetary policy, but at a slower pace. The UST 10 year yield fell from 2.86% to 2.68% reflecting the change in outlook and increase in risk aversion. Political risks in Europe have caused some divergence in European bonds: the yield on German 10 year bonds fell from 0.30% to 0.24% whereas the yield on Italian 10 year bonds increased from 2.67% to 2.74%.

Market Outlook and Investment Strategy [^]

There were a number of possible reasons as to why markets were volatile in 4Q18, ranging from US-China trade concerns, to a fall in global growth and central bank tightening. However, our Nowcast system is still tracking global growth at around 3% and underlying economic fundamentals remain intact. Therefore, we believe that this is a short term period of volatility rather than pointing towards an imminent recession. Chinese equity markets should find support from continued policy easing and favourable valuations. This should also help support the wider EM complex, along with lower oil prices, a subsiding USD and lower Treasury yields. The portfolios have remained underweight fixed income assets as yields and potential returns have remained low. We remain underweight global government bonds, but with a preference for shorter dated USTs. Riskier, EM debt securities remain attractive, especially in local currencies, where potential currency appreciation could provide a tailwind to performance.

We retain our view that the most effective way to access the global growth story is through equities. This is reinforced by the recent falls in equity valuations and our leading indicators suggest that we are not yet at the end of the economic cycle. We retain our preference for Japan equity due to attractive valuations and ultra loose monetary policy. EM equity continues to be attractive despite a challenging backdrop; valuations have improved and there is potential for improvement in macroeconomic performance in 2019.

[^] 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 (USD)*	(2.27)	(2.38)	(3.98)	N.A.	N.A.	N.A.	1.11
HSBC Insurance World Selection 3 Fund (USD)*	(7.68)	(6.27)	(7.91)	N.A.	N.A.	N.A.	4.54
HSBC Insurance World Selection 5 Fund (USD)*	(11.84)	(9.54)	(11.07)	N.A.	N.A.	N.A.	7.63

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance World Selection 1 Fund (USD)*	N.A.	N.A.	N.A.	0.58
HSBC Insurance World Selection 3 Fund (USD)*	N.A.	N.A.	N.A.	2.08
HSBC Insurance World Selection 5 Fund (USD)*	N.A.	N.A.	N.A.	3.52

*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 (USD) Inception Date: 27 Jan 2017

HSBC Insurance World Selection 3 Fund (USD) Inception Date: 03 Nov 2016

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 2018	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 1	100.00	0.18
Total	100.00	0.18

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	74,132
Redemption	18,234

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

I Allocation by Country

As at 31 Dec 2018

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

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC Global Government Bond Strategy	25.26	123.48
HSBC FTSE All-World Index	14.70	71.87
HSBC GIF Global Government Bond	12.27	59.99
HSBC Global Corporate Bond Strategy	9.35	45.71
HSBC GIF Global Emerging Market Local Debt	8.25	40.33
HSBC Global Asset Backed Bond	4.98	24.35
HSBC US Dollar Liquidity Y	4.95	24.20
HSBC GIF Global Emerging Markets Bond	3.60	17.60
HSBC GIF Global High Yield Bond	3.34	16.33
HSBC GIF Global Real Estate Equity	3.33	16.28

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV USD mil
HSBC Global Government Bond Strategy	24.54	121.30
HSBC Global Corporate Bond Strategy	12.09	59.76
HSBC FTSE All-World Index	10.91	53.93
HSBC GIF Global Government Bond	9.97	49.28
HSBC GIF Global Emerging Market Local Debt	7.85	38.80
HSBC Global Asset Backed Bond	5.00	24.72
HSBC GIF Global Corporate Bond	4.96	24.52
HSBC GIF Global High Yield Bond	4.65	22.99
Cash	4.12	20.37
HSBC GIF Global Real Estate Equity	4.00	19.77

V Exposure to Derivatives

	As at 31 Dec 2018
% of NAV	1.02%
Market value (USD)	4,962,317
Realised Gains / (Losses) (USD)	(2,742,422)
Unrealised Gains / (Losses) (USD)	679,960

VI Borrowings of Net Asset Value

	As at 31 Dec 2018
Use of borrowing in % of Fund Total Net Asset	(0.04%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.66%	1.66%	1.27%	1.29%
Turnover Ratio	22.45%	99.59%	58.55%	40.85%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance World Selection 1 Fund (USD) invests USD0.18 million, equivalent to 100.00% 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 01 July 2018 to 31 December 2018 amounts to USD252.

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

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 168.

**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.**

HSBC Insurance World Selection 3 Fund (USD)

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 3 (USD)	100.00	0.68
Total	100.00	0.68

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	316,892
Redemption	-

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

I Allocation by Country

As at 31 Dec 2018

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

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.73	194.49
HSBC American Index	10.71	105.58
HSBC Global Corporate Bond Strategy	8.72	85.96
HSBC GIF Global Emerging Market Local Debt	8.64	85.18
HSBC GIF Global High Yield Bond	5.44	53.63
HSBC GIF Global Emerging Markets Bond	4.89	48.21
HSBC GIF Global Real Estate Equity	4.83	47.62
HSBC US Dollar Liquidity Y	4.76	46.93
Vanguard FTSE All-World ETF	4.33	42.69
HSBC European Index	3.46	34.11

Top Ten Holdings of Underlying Sub-Fund

	As at 31 Dec 2017	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.78	167.07
HSBC Global Corporate Bond Strategy	10.23	86.41
HSBC American Index	9.26	78.21
HSBC GIF Global Emerging Market Local Debt	8.67	73.23
HSBC GIF Global Corporate Bond	5.69	48.06
HSBC GIF Global High Yield Bond	5.25	44.34
HSBC GIF Global Real Estate Equity	4.90	41.39
HSBC ESI Worldwide Equity ETF	4.61	38.94
HSBC GIF Global Emerging Markets Bond	4.47	37.76
Cash	3.12	26.35

V Exposure to Derivatives

As at 31 Dec 2018

% of NAV	0.68%
Market value (USD)	6,723,917
Realised Gains / (Losses) (USD)	(14,784,083)
Unrealised Gains / (Losses) (USD)	1,967,589

VI Borrowings of Net Asset Value

As at 31 Dec 2018

Use of borrowing in % of Fund Total Net Asset	(0.09%)
---	---------

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 3 Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.75%	1.71%	1.46%	1.44%
Turnover Ratio	6.38%	27.77%	49.33%	28.64%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance World Selection 3 Fund (USD) invests USD0.68 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.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 31 December 2018 amounts to USD997.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 168.

**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.**

HSBC Insurance World Selection 5 Fund (USD)

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 31 Dec 2018	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 5	101.82	0.56
Other liabilities	(1.82)	(0.01)
Total	100.00	0.55

II Fund Movement

(01 Jul 2018 - 31 Dec 2018)

	USD
Subscription	225,793
Redemption	-

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 5 (USD))

I Allocation by Country

As at 31 Dec 2018

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

II Allocation by Industry

As at 31 Dec 2018

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

III Allocation of Debt Securities by Credit Ratings

As at 31 Dec 2018

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

As at 31 Dec 2018

	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.14	59.86
HSBC American Index	17.36	54.29
HSBC European Index	7.43	23.24
iShares Core S&P 500	7.36	23.02
HSBC ESI Worldwide Equity ETF	6.66	20.83
iShares Core MSCI Emerging Markets	6.49	20.30
HSBC GIF Global Real Estate Equity	4.93	15.42
HSBC GIF Global Emerging Market Local Debt	4.83	15.11
HSBC Japan Index	4.25	13.29
Vanguard FTSE All-World ETF	4.24	13.26

Top Ten Holdings of Underlying Sub-Fund

As at 31 Dec 2017

	% of NAV	MV USD mil
HSBC American Index	16.28	49.47
HSBC Worldwide Equity ETF	13.57	41.24
HSBC FTSE All-World Index	12.77	38.80
HSBC ESI Worldwide Equity ETF	8.11	24.64
iShares Core S&P 500	7.93	24.10
HSBC European Index	7.38	22.43
iShares Core MSCI Emerging Markets	5.51	16.74
HSBC GIF Global Real Estate Equity	4.84	14.71
HSBC GIF Global Emerging Market Local Debt	4.77	14.49
HSBC Japan Index	4.10	12.46

V Exposure to Derivatives

As at 31 Dec 2018

% of NAV	0.98%
Market value (USD)	3,066,368
Realised Gains / (Losses) (USD)	(3,112,207)
Unrealised Gains / (Losses) (USD)	1,799,904

VI Borrowings of Net Asset Value

As at 31 Dec 2018

Use of borrowing in % of Fund Total Net Asset	(0.12%)
---	---------

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 5 Fund (USD)		Underlying Sub-Fund	
	As at 31-Dec-18	As at 31-Dec-17	As at 30-Sep-18*	As at 30-Sep-17**
Expense Ratio	1.82%	1.76%	1.53%	1.49%
Turnover Ratio	4.88%	182.39%	72.50%	25.21%

*Based on unaudited figure as at 30 Sep 2018 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 31 Dec 2018 is not available.

**Based on unaudited figure as at 30 Sep 2017 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 31 Dec 2017 is not available.

II Related-Party Transactions

The HSBC Insurance World Selection 5 Fund (USD) invests USD0.56 million, equivalent to 101.82% 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 01 July 2018 to 31 December 2018 amounts to USD950.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 168.

**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.**

The Statements of Assets and Liabilities and Capital and Income Accounts of the following Investment-Linked Funds are covered in this report:

HSBC Insurance Asia Equity Fund	HSBC Insurance Global Equity Volatility Focused Fund
HSBC Insurance Asia Focused Income Fund	HSBC Insurance Global High Income Bond Fund
HSBC Insurance Asian Bond Fund	HSBC Insurance Global Multi-Asset Fund
HSBC Insurance China Equity Fund	HSBC Insurance India Equity Fund
HSBC Insurance Chinese Equity Fund	HSBC Insurance Pacific Equity Fund
HSBC Insurance Emerging Markets Equity Fund	HSBC Insurance Premium Balanced Fund
HSBC Insurance Ethical Global Equity Fund	HSBC Insurance Singapore Bond Fund
HSBC Insurance Ethical Global Sukuk Fund	HSBC Insurance Singapore Equity Fund
HSBC Insurance Europe Dynamic Equity Fund	HSBC Insurance US Equity Portfolio Fund
HSBC Insurance Global Bond Fund	HSBC Insurance US Opportunities Equity Fund
HSBC Insurance Global Emerging Markets Bond Fund	HSBC Insurance World Selection 1 Fund
HSBC Insurance Global Emerging Markets Equity Fund	HSBC Insurance World Selection 3 Fund
HSBC Insurance Global Equity Fund	HSBC Insurance World Selection 5 Fund
HSBC Insurance Global Equity Portfolio Fund	

The Statements of Assets and Liabilities and Capital and Income Accounts of the following Investment-Linked Funds are covered in this report (Cont) :

HSBC Insurance Europe Dynamic Equity Fund (USD)	HSBC Insurance India Equity Fund (USD)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	HSBC Insurance Pacific Equity Fund (USD)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	HSBC Insurance US Equity Portfolio Fund (USD)
HSBC Insurance Global Equity Portfolio Fund (USD)	HSBC Insurance World selection 1 Fund (USD)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	HSBC Insurance World Selection 3 Fund (USD)
HSBC Insurance Global High Income Bond Fund (USD)	HSBC Insurance World Selection 5 Fund (USD)

Financial Statements

	HSBC Insurance Asia Equity Fund S\$	HSBC Insurance Asia Focused Income Fund S\$	HSBC Insurance Asian Bond Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	109,371,467	9,842,621	28,470,138
Amounts received by the Fund for creation of units	4,852,107	763,729	2,337,029
Amounts paid by the Fund for liquidation of units	(10,347,696)	(1,553,684)	(3,698,961)
Net cash into/(out of) Fund	(5,495,589)	(789,955)	(1,361,932)
Unrealised appreciation/(diminution) in value of investments	(14,327,681)	(205,687)	(124,279)
Gain/(Loss) on sale of investments	2,548,353	(55,256)	218,231
Management fees	(767,925)	(58,211)	(140,504)
Other expenses	(19,173)	(1,744)	(5,262)
Increase/(Decrease) in net asset value for the period	(18,062,015)	(1,110,853)	(1,413,746)
Value of Fund as at 31 December 2018	91,309,452	8,731,768	27,056,392
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	91,426,094	8,732,290	27,111,775
Other debtors	279,551	15,816	64,718
Total assets	91,705,645	8,748,106	27,176,493
<u>Liabilities</u>			
Other creditors	(396,193)	(16,338)	(120,101)
Value of Fund as at 31 December 2018	91,309,452	8,731,768	27,056,392

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance China Equity Fund S\$	HSBC Insurance Chinese Equity Fund S\$	HSBC Insurance Emerging Markets Equity Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	104,879,317	7,456,846	33,137,538
Amounts received by the Fund for creation of units	3,924,836	4,811,296	1,408,719
Amounts paid by the Fund for liquidation of units	(10,965,764)	(112,690)	(2,615,549)
Net cash into/(out of) Fund	(7,040,928)	4,698,606	(1,206,830)
Unrealised appreciation/(diminution) in value of investments	(17,420,986)	(1,575,000)	(3,408,455)
Gain/(Loss) on sale of investments	3,129,936	(4,499)	348,352
Dividend Income	-	2,391	-
Management fees	(705,196)	(67,779)	(236,822)
Other expenses	(17,606)	(1,692)	(5,913)
Increase/(Decrease) in net asset value for the period	(22,054,780)	3,052,027	(4,509,668)
Value of Fund as at 31 December 2018	82,824,537	10,508,873	28,627,870
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	82,858,445	10,508,828	28,681,198
Other debtors	257,522	430	9,475
Total assets	83,115,967	10,509,258	28,690,673
<u>Liabilities</u>			
Other creditors	(291,430)	(385)	(62,803)
Value of Fund as at 31 December 2018	82,824,537	10,508,873	28,627,870

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Ethical Global Equity Fund S\$	HSBC Insurance Ethical Global Sukuk Fund S\$	HSBC Insurance Europe Dynamic Equity Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	55,692,332	15,199,285	37,191,479
Amounts received by the Fund for creation of units	528,472	66,374	4,337,748
Amounts paid by the Fund for liquidation of units	(3,197,046)	(769,582)	(5,268,822)
Net cash into/(out of) Fund	(2,668,574)	(703,208)	(931,074)
Unrealised appreciation/(diminution) in value of investments	(7,297,387)	(183,910)	(4,801,646)
Gain/(Loss) on sale of investments	388,248	(12,495)	(93,957)
Dividend Income	-	354,074	-
Other Income	4,000	-	-
Management fees	(398,736)	(98,747)	(263,214)
Other expenses	-	(5,362)	(6,572)
Increase/(Decrease) in net asset value for the period	(9,972,449)	(649,648)	(6,096,463)
Value of Fund as at 31 December 2018	45,719,883	14,549,637	31,095,016

**Statement of Assets and Liabilities
As at 31 December 2018**

<u>Assets</u>			
Investments in funds	45,718,186	14,573,316	31,116,900
Cash and bank balances	-	4,148	-
Other debtors	121,065	19,785	49,383
Total assets	45,839,251	14,597,249	31,166,283
<u>Liabilities</u>			
Other creditors	(119,368)	(47,612)	(71,267)
Value of Fund as at 31 December 2018	45,719,883	14,549,637	31,095,016

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global Bond Fund S\$	HSBC Insurance Global Emerging Markets Bond Fund S\$	HSBC Insurance Global Emerging Markets Equity Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	9,356,206	2,147,822	3,705,279
Amounts received by the Fund for creation of units	383,046	317,125	2,482,732
Amounts paid by the Fund for liquidation of units	(1,257,539)	(451,658)	(100,112)
Net cash into/(out of) Fund	(874,493)	(134,533)	2,382,620
Unrealised appreciation/(diminution) in value of investments	(15,396)	(24,859)	(436,639)
Gain/(Loss) on sale of investments	83,418	(49,402)	(6,141)
Dividend Income	-	59,701	-
Management fees	(35,472)	(11,818)	(35,774)
Other expenses	(1,660)	(354)	(893)
Increase/(Decrease) in net asset value for the period	(843,603)	(161,265)	1,903,173
Value of Fund as at 31 December 2018	8,512,603	1,986,557	5,608,452
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	8,513,078	1,975,646	5,610,032
Dividend Receivable	-	11,209	-
Other debtors	8,886	-	-
Total assets	8,521,964	1,986,855	5,610,032
<u>Liabilities</u>			
Other creditors	(9,361)	(298)	(1,580)
Value of Fund as at 31 December 2018	8,512,603	1,986,557	5,608,452

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global Equity Fund S\$	HSBC Insurance Global Equity Portfolio Fund S\$	HSBC Insurance Global Equity Volatility Focused Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	78,683,163	5,905,284	7,315,137
Amounts received by the Fund for creation of units	1,657,294	2,200,045	417,706
Amounts paid by the Fund for liquidation of units	(5,170,916)	(222,283)	(1,014,460)
Net cash into/(out of) Fund	(3,513,622)	1,977,762	(596,754)
Unrealised appreciation/(diminution) in value of investments	(10,277,437)	(924,744)	(593,146)
Gain/(Loss) on sale of investments	2,111,524	6,724	3,060
Dividend income	-	83,134	-
Management fees	(611,666)	(20,809)	(52,672)
Other expenses	(14,317)	(1,299)	(1,315)
Increase/(Decrease) in net asset value for the period	(12,305,518)	1,120,768	(1,240,827)
Value of Fund as at 31 December 2018	66,377,645	7,026,052	6,074,310
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	66,442,059	7,026,459	6,074,748
Other debtors	32,175	8,702	16,231
Total assets	66,474,234	7,035,161	6,090,979
<u>Liabilities</u>			
Other creditors	(96,589)	(9,109)	(16,669)
Value of Fund as at 31 December 2018	66,377,645	7,026,052	6,074,310

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global High Income Bond Fund S\$	HSBC Insurance Global Multi-Asset Fund S\$	HSBC Insurance India Equity Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	2,256,023	789,658	61,416,750
Amounts received by the Fund for creation of units	855,146	463,686	5,842,716
Amounts paid by the Fund for liquidation of units	(20,673)	(139,133)	(6,621,416)
Net cash into/(out of) Fund	834,473	324,553	(778,700)
Unrealised appreciation/(diminution) in value of investments	(9,861)	(32,837)	(1,863,825)
Gain/(Loss) on sale of investments	(162)	(4,156)	986,307
Management fees	(17,053)	(6,462)	(452,794)
Other expenses	(511)	(194)	(11,305)
Increase/(Decrease) in net asset value for the period	806,886	280,904	(2,120,317)
Value of Fund as at 31 December 2018	3,062,909	1,070,562	59,296,433
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	3,063,942	1,070,638	59,356,872
Other debtors	-	10	330,153
Total assets	3,063,942	1,070,648	59,687,025
<u>Liabilities</u>			
Other creditors	(1,033)	(86)	(390,592)
Value of Fund as at 31 December 2018	3,062,909	1,070,562	59,296,433

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Pacific Equity Fund S\$	HSBC Insurance Premium Balanced Fund S\$	HSBC Insurance Singapore Bond Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	169,460,468	119,590,914	33,259,815
Amounts received by the Fund for creation of units	18,139,397	3,119,727	1,912,248
Amounts paid by the Fund for liquidation of units	(14,835,056)	(4,895,735)	(4,457,756)
Net cash into/(out of) Fund	3,304,341	(1,776,008)	(2,545,508)
Unrealised appreciation/(diminution) in value of investments	(13,197,137)	(1,282,513)	152,291
Gain/(Loss) on sale of investments	1,580,024	1,449,810	304,720
Management fees	(1,247,749)	(423,343)	(81,226)
Other expenses	(31,152)	(22,649)	(6,084)
Increase/(Decrease) in net asset value for the period	(9,591,673)	(2,054,703)	(2,175,807)
Value of Fund as at 31 December 2018	159,868,795	117,536,211	31,084,008
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	160,064,899	117,605,419	31,086,956
Cash and bank balances	45,081	-	-
Other debtors	660,830	13,515	66,822
Total assets	160,770,810	117,618,934	31,153,778
<u>Liabilities</u>			
Other creditors	(902,015)	(82,723)	(69,770)
Value of Fund as at 31 December 2018	159,868,795	117,536,211	31,084,008

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Singapore Equity Fund S\$	HSBC Insurance US Equity Portfolio Fund S\$	HSBC Insurance US Opportunities Equity Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	22,020,866	5,722,086	1,603,384
Amounts received by the Fund for creation of units	2,699,736	2,028,016	1,342,429
Amounts paid by the Fund for liquidation of units	(2,918,036)	(47,751)	(317,553)
Net cash into/(out of) Fund	(218,300)	1,980,265	1,024,876
Unrealised appreciation/(diminution) in value of investments	(1,207,124)	(967,624)	(333,510)
Gain/(Loss) on sale of investments	(146,906)	9,287	31,551
Dividend Income	328,749	47,437	-
Management fees	(120,836)	(13,655)	(16,443)
Other expenses	(4,023)	(1,278)	(411)
Increase/(Decrease) in net asset value for the period	(1,368,440)	1,054,432	706,063
Value of Fund as at 31 December 2018	20,652,426	6,776,518	2,309,447
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	20,703,425	6,777,287	2,309,682
Other debtors	131,535	74,605	7,990
Total assets	20,834,960	6,851,892	2,317,672
<u>Liabilities</u>			
Other creditors	(182,534)	(75,374)	(8,225)
Value of Fund as at 31 December 2018	20,652,426	6,776,518	2,309,447

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance World Selection 1 Fund S\$	HSBC Insurance World Selection 3 Fund S\$	HSBC Insurance World Selection 5 Fund S\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	2,684,146	7,010,019	17,241,273
Amounts received by the Fund for creation of units	585,219	2,167,755	2,679,272
Amounts paid by the Fund for liquidation of units	(327,373)	(551,058)	(870,992)
Net cash into/(out of) Fund	257,846	1,616,697	1,808,280
Unrealised appreciation/(diminution) in value of investments	(72,952)	(626,713)	(2,470,745)
Gain/(Loss) on sale of investments	63,525	253,288	1,034,664
Management fees	(19,103)	(56,711)	(143,922)
Other expenses	(530)	(1,465)	(3,477)
Increase/(Decrease) in net asset value for the period	228,786	1,185,096	224,800
Value of Fund as at 31 December 2018	2,912,932	8,195,115	17,466,073
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	2,913,930	8,198,874	17,471,062
Other debtors	8,470	-	100,091
Total assets	2,922,400	8,198,874	17,571,153
<u>Liabilities</u>			
Other creditors	(9,468)	(3,759)	(105,080)
Value of Fund as at 31 December 2018	2,912,932	8,195,115	17,466,073

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Europe Dynamic Equity Fund (USD) US\$	HSBC Insurance Global Emerging Markets Bond Fund (USD) US\$	HSBC Insurance Global Emerging Markets Equity Fund (USD) US\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	680,487	552,623	1,151,717
Amounts received by the Fund for creation of units	632,823	306,981	871,276
Amounts paid by the Fund for liquidation of units	(4,423)	-	(14,743)
Net cash into/(out of) Fund	628,400	306,981	856,533
Unrealised appreciation/(diminution) in value of investments	(144,101)	(3,833)	(127,680)
Gain/(Loss) on sale of investments	(282)	-	(1,305)
Management fees	(7,133)	(4,412)	(11,390)
Other expenses	(178)	(132)	(285)
Increase/(Decrease) in net asset value for the period	476,706	298,604	715,873
Value of Fund as at 31 December 2018	1,157,193	851,227	1,867,590
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	1,157,332	851,426	1,874,166
Other debtors	-	-	9,239
Total assets	1,157,332	851,426	1,883,405
<u>Liabilities</u>			
Other creditors	(139)	(199)	(15,815)
Value of Fund as at 31 December 2018	1,157,193	851,227	1,867,590

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global Equity Portfolio Fund (USD) US\$	HSBC Insurance Global Equity Volatility Focused Fund (USD) US\$	HSBC Insurance Global High Income Bond Fund (USD) US\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	1,330,655	26,543	633,360
Amounts received by the Fund for creation of units	833,956	15,626	298,717
Amounts paid by the Fund for liquidation of units	(58,981)	-	(5,971)
Net cash into/(out of) Fund	774,975	15,626	292,746
Unrealised appreciation/(diminution) in value of investments	(233,884)	(3,440)	81
Gain/(Loss) on sale of investments	1,393	-	(17)
Dividend Income	16,782	-	-
Management fees	(4,873)	(256)	(4,870)
Other expenses	(304)	(7)	(146)
Increase/(Decrease) in net asset value for the period	554,089	11,923	287,794
Value of Fund as at 31 December 2018	1,884,744	38,466	921,154

Statement of Assets and Liabilities
As at 31 December 2018

<u>Assets</u>			
Investments in funds	1,884,561	38,491	921,202
Other debtors	5,841	-	-
Total assets	1,890,402	38,491	921,202
<u>Liabilities</u>			
Other creditors	(5,658)	(25)	(48)
Value of Fund as at 31 December 2018	1,884,744	38,466	921,154

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance India Equity Fund (USD)	HSBC Insurance Pacific Equity Fund (USD)	HSBC Insurance US Equity Portfolio Fund (USD)
	US\$	US\$	US\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	588,403	2,489,889	871,461
Amounts received by the Fund for creation of units	431,441	2,199,863	650,317
Amounts paid by the Fund for liquidation of units	(3,852)	(44,729)	(36,734)
Net cash into/(out of) Fund	427,589	2,155,134	613,583
Unrealised appreciation/(diminution) in value of investments	(6,114)	(208,642)	(181,815)
Gain/(Loss) on sale of investments	(1,058)	(9,553)	4,564
Dividend Income	-	-	6,929
Management fees	(5,869)	(25,804)	(2,315)
Other expenses	(147)	(644)	(217)
Increase/(Decrease) in net asset value for the period	414,401	1,910,491	440,729
Value of Fund as at 31 December 2018	1,002,804	4,400,380	1,312,190

Statement of Assets and Liabilities
As at 31 December 2018

<u>Assets</u>			
Investments in funds	1,002,860	4,399,811	1,313,751
Cash and bank balances	-	884	-
Other debtors	-	48,100	-
Total assets	1,002,860	4,448,795	1,313,751
<u>Liabilities</u>			
Other creditors	(56)	(48,415)	(1,561)
Value of Fund as at 31 December 2018	1,002,804	4,400,380	1,312,190

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance World Selection 1 Fund (USD) US\$	HSBC Insurance World Selection 3 Fund (USD) US\$	HSBC Insurance World Selection 5 Fund (USD) US\$
Capital and Income Account			
Period From 1 July 2018 to 31 December 2018			
Value of Fund as at 1 July 2018	131,592	406,390	379,860
Amounts received by the Fund for creation of units	74,132	316,892	225,793
Amounts paid by the Fund for liquidation of units	(18,234)	-	-
Net cash into/(out of) Fund	55,898	316,892	225,793
Unrealised appreciation/(diminution) in value of investments	(2,548)	(37,521)	(50,183)
Gain/(Loss) on sale of investments	(618)	(26)	-
Management fees	(1,134)	(4,017)	(3,777)
Other expenses	(32)	(104)	(91)
Increase/(Decrease) in net asset value for the period	51,566	275,224	171,742
Value of Fund as at 31 December 2018	183,158	681,614	551,602
Statement of Assets and Liabilities			
As at 31 December 2018			
<u>Assets</u>			
Investments in funds	183,221	680,279	555,904
Other debtors	18,336	19,657	-
Total assets	201,557	699,936	555,904
<u>Liabilities</u>			
Other creditors	(18,399)	(18,322)	(4,302)
Value of Fund as at 31 December 2018	183,158	681,614	551,602

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:

Funds	Units in issue as at 31 December 2018
HSBC Insurance Asia Equity Fund	34,677,715
HSBC Insurance Asia Focused Income Fund	8,414,115
HSBC Insurance Asian Bond Fund	14,898,849
HSBC Insurance China Equity Fund	34,079,202
HSBC Insurance Chinese Equity Fund	8,197,150
HSBC Insurance Emerging Markets Equity Fund	24,814,610
HSBC Insurance Ethical Global Equity Fund	37,232,229
HSBC Insurance Ethical Global Sukuk Fund	13,172,973
HSBC Insurance Europe Dynamic Equity Fund	28,627,294
HSBC Insurance Global Bond Fund	7,353,507
HSBC Insurance Global Emerging Markets Bond Fund	2,053,250
HSBC Insurance Global Emerging Markets Equity Fund	4,025,058
HSBC Insurance Global Equity Fund	45,553,620
HSBC Insurance Global Equity Portfolio Fund	5,968,538
HSBC Insurance Global Equity Volatility Focused Fund	5,601,858
HSBC Insurance Global High Income Bond Fund	2,801,170
HSBC Insurance Global Multi-Asset Fund	1,028,458
HSBC Insurance India Equity Fund	23,696,882
HSBC Insurance Pacific Equity Fund	125,410,554
HSBC Insurance Premium Balanced Fund	70,193,190
HSBC Insurance Singapore Bond Fund	22,210,897
HSBC Insurance Singapore Equity Fund	18,044,693
HSBC Insurance US Equity Portfolio Fund	5,282,804
HSBC Insurance US Opportunities Equity Fund	1,719,093
HSBC Insurance World Selection 1 Fund	2,470,348
HSBC Insurance World Selection 3 Fund	6,515,959
HSBC Insurance World Selection 5 Fund	13,452,636

HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds (Cont)

<u>Funds</u>	<u>Units in issue as at 31 December 2018</u>
HSBC Insurance Europe Dynamic Equity Fund (USD)	1,153,473
HSBC Insurance Global Emerging Markets Equity Fund (USD)	1,570,839
HSBC Insurance Global Equity Portfolio Fund (USD)	1,702,871
HSBC Global Equity Volatility Focused Fund (USD)	36,619
HSBC Insurance Global High Income Bond Fund (USD)	899,649
HSBC Insurance Global Emerging Markets Bond Fund (USD)	850,785
HSBC Insurance India Equity Fund (USD)	904,388
HSBC Insurance Pacific Equity Fund (USD)	3,988,023
HSBC Insurance US Equity Portfolio Fund (USD)	1,174,372
HSBC Insurance World selection 1 Fund (USD)	181,142
HSBC Insurance World Selection 3 Fund (USD)	652,009
HSBC Insurance World Selection 5 Fund (USD)	512,492

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the HSBC Insurance Investment-Linked Funds are presented in Singapore 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.

3.0 Foreign currencies

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 the Capital and Income Account.

About Us

The HSBC Group is one of the largest banking and financial services organisations in the world, with well established businesses in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. The HSBC Group evolved from The Hongkong and Shanghai Banking Corporation Limited, which was founded in 1865 in Hong Kong with offices in Shanghai and London and an agency in San Francisco.

HSBC Insurance (Singapore) Pte. Limited ("HSBC Insurance (Singapore)") is a wholly owned subsidiary of HSBC Insurance (Asia Pacific) Holdings Limited, which is ultimately owned by HSBC Holdings plc, the London-based holding company of the HSBC Group. HSBC Insurance (Singapore) provides a wide range of solutions to cater to retirement, protection, legacy planning, education and growing your wealth needs.

HSBC Insurance Singapore's financial strength

- Our financial strength currently stands at almost S\$8.1 billion in assets as at 31 December, 2017.
- Our Capital Adequacy Ratio (CAR) as at 31 December, 2017 was 277%, more than the statutory capital requirement.
- A+ rating from Standard & Poor's in 2018 thanks to our continued growth, strength of management and sound financial condition

Important Notes

This report is jointly provided by HSBC Insurance (Singapore) Pte. Limited and the fund managers mentioned within this report for general information only. The specific investment objectives, personal situation and particular needs of any person have not been taken into consideration. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe to any investment or services and HSBC Insurance (Singapore) Pte. Limited is not recommending or soliciting any action based on it.

You should read the relevant product and fund documentation, including the relevant product summary, product highlights sheets and fund summaries for details before deciding to invest. Copies of the product and fund documentation can be obtained from our authorized product distributors.

Investment involves risk and past performances of the ILP sub-funds and any other economic or market predictions, projections or forecasts, are not necessarily indicative of future or likely performances of the ILP sub-funds, underlying funds, underlying entities and/or the respective fund managers. The value of the units in the ILP sub-funds and the income accruing to the units, if any, may fall or rise, and the investor may not get back the original sum invested.

Any insurance product information mentioned is intended to provide you with a general summary and the product features are subject to change, without notice given. Information herein is also not a contract of insurance.

You should not rely on this document as investment advice. If you have any concerns about any investment products or are uncertain about the suitability of any investment decision, you should seek such financial, legal or tax advice from your professional advisers as appropriate.

Information contained in this document is obtained from sources believed to be reliable, however HSBC Insurance (Singapore) Pte. Ltd. does not guarantee its completeness or accuracy. Opinions and estimates expressed are subject to change without notice and HSBC Insurance (Singapore) Pte. Limited expressly disclaims any and all liability for representations and warranties, express or implied, contained herein, or for omissions.

HSBC Insurance (Singapore) Pte. Limited's authorized product distributors, including The Hongkong and Shanghai Banking Corporation Limited, Singapore branch (together "the authorized product distributors") are neither underwriters nor brokers for the customer. To the fullest extent permissible under applicable law, the authorized product distributors make no warranties or representation as to the accuracy, correctness, reliability or otherwise of the content of this document (webpage). Under no circumstances, shall the authorized product distributors or any party involved in creating, producing or delivering this document be liable to you for any direct, indirect, incidental, consequential, loss or punitive damages that result from the use of, or reliance upon, the information in this document (webpage), even if the authorized product distributors have been advised of the possibility of such damages.

The insurance products are underwritten by HSBC Insurance (Singapore) Pte. Limited. They are not obligations of deposits in or guaranteed by The Hongkong and Shanghai Banking Corporation.

Issued by HSBC Insurance (Singapore) Pte. Limited

*HSBC Insurance (Singapore) Pte. Limited
21 Collyer Quay #02-01
HSBC Building
Singapore 049320
Tel: (65) 6225 6111 Fax: (65) 6221 2188
Company Registration Number 195400150N*

Web site: www.insurance.hsbc.com.sg

Printed by Medialink Printing Services Pte Ltd

