Investment Risk Rating: 3

Prepared on: 26 September 2017

Important Notes: Information mentioned in this document is intended to provide you with a general summary of the ILP Sub-Fund and are subject to change. Please read the Policy (including Benefit Illustration, Product Summary and Fund Summary) for the full details of the standard terms and conditions and the exclusions of the insurance product and ILP Sub-Fund.

This Product Highlights Sheet ("PHS") is an important document.

- **It highlights the key terms and risks of the ILP Sub-Fund and complements the Product Summary and Fund Summary.**
- **It is important to read the Product Summary and the Fund Summary before deciding whether to purchase the ILP sub-fund. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the ILP Sub-Fund if you do not understand it or are not comfortable with the accompanying risks this PHS have been defined in the Fund Summary**

Investment risk rating is only applicable to customers of HSBC Bank (Singapore) Limited (the "Bank") and is used as a guide to determine the ILP Sub-Fund that is suitable to the risk profile as indicated in the Bank's Risk Profile Questionnaire (RPQ).

HSBC Insurance World Selection 5 Fund (the "ILP Sub-Fund")

Product Type	**ILP Sub-Fund**	**Launch Date**	**01 April 2010**
Manager	**HSBC Global Asset Management (Singapore) Limited**	**Custodian**	**HSBC Insurance (Singapore) Pte. Limited**
Capital Guaranteed	**No**	**Dealing Frequency**	**Every Business Day**
Name of Guarantor	**N.A.**	**Expense Ratio for the financial year ended 30 June 2016**	**1.73%**
Underlying Sub-Fund	**HSBC Portfolios – World Selection 5 (Class AC-SGD)**		

ILP SUB-FUND SUITABILITY

WHO IS THE ILP SUB-FUND SUITABLE FOR? The ILP Sub-Fund is only suitable for potential investors who: • are looking for a diversified investment solution • seek a reasonable level of capital growth over the medium to long term, while willing to accept a high degree of risk • understand and are comfortable with the volatility and associated risks of investments in equities and bonds around the world; • understand that the principal of the ILP Sub-Fund will be at risk.	Further Information Refer to Section 5 on pages 1 to 3 and Section 7 on pages 3 to 9 of the Fund Summary for further information on the ILP Sub-Fund.

KEY FEATURES OF THE ILP SUB-FUND

WHAT ARE YOU INVESTING IN? The ILP Sub-Fund is a single ILP sub-fund which feeds (invests all or substantially all of its assets) into the underlying sub-fund, HSBC Portfolios – World Selection 5 (Class AD-SGD) (the **"Underlying Sub-Fund")** which is a sub-fund of the HSBC Portfolios (the "**Underlying Fund**"), an open-ended investment company with an Umbrella Structure, domiciled in Luxembourg. The Underlying Sub-Fund aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a high risk investment strategy.	Refer to Section 2 on page 1, Section 5 on pages 1 to 3 and Section 16 on page 12 of the Fund Summary for further information on

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	features of the ILP Sub-Fund.
Investment Strategy	
The investment objective of the ILP Sub-Fund is achieved through investments in the Underlying Sub-Fund. The Underlying Sub-Fund aims to provide long term return by investing in a diversified portfolio across a broad range of assets with a defined degree of risk. The asset allocation of the Underlying Sub-Fund is actively managed. Assets of the Underlying Sub-Fund are invested in a dynamic mix of investments to balance opportunities and downside risks through the economic cycle. Exposure to these assets classes may be achieved through investments directly into markets and/or investments in active and passive collective investment schemes (such as ETFs) including funds managed by the Investment Adviser and other HSBC entities. The Underlying Sub-Fund invests in the full spectrum of instruments available across geographic regions, investment sectors and investment styles to build the optimal portfolio and may invest in fixed income and equity securities as well as in specialist asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities. The Underlying Sub-Fund may invest in financial derivative instruments, although not extensively. Their primary use will be for hedging purposes, cash flow management and tactical asset allocation as well as Efficient Portfolio Management. The Investment Adviser will actively manage the risk exposure of the Underlying Sub-Fund.	Refer to Section 5 on pages 1 to 3 of the Fund Summary for the further information on the investment focus and approach of the ILP Sub-Fund.
Parties Involved	
WHO ARE YOU INVESTING WITH? The Manager of the ILP Sub-Fund is HSBC Global Asset Management (Singapore) Limited. The Management Company of the Underlying Sub-Fund is HSBC Investment Funds (Luxembourg) S.A.. The Investment Adviser of the Underlying Sub-Fund is HSBC Global Asset Management (UK) Limited. The Depositary Bank of the Underlying Sub-Fund is HSBC Bank Plc, Luxembourg Branch.	Refer to Section 3 on page 1 of the Fund Summary for further information on the roles and responsibilities of these entities and what happens if they become insolvent.
KEY RISKS	
WHAT ARE THE KEY RISKS OF THIS INVESTMENT? While the ILP Sub-Fund offers potential for capital appreciation, no assurance can be given that this objective will be achieved. The price of units in the ILP Sub-Fund may fall or rise and you may not get back your original investment. You should not expect to obtain short-term gains, as investments in the ILP Sub-Fund are designed to produce returns over the long-term and are not suitable for short-term speculation. The ILP Sub-Fund may be subject to different degrees of economic, political, foreign exchange rate, interest rate, liquidity, default, regulatory and possible repatriation risks depending on the countries and asset classes that the Underlying Fund invests into or has exposure to.	Refer to Section 7.1 on page 3 of the Fund Summary for further information on risks of the ILP Sub-Fund.
Market and Credit Risks	
You are exposed to Market Risk. The value of investments and the income derived there from may fall as well as rise and investors may not recoup the original amount invested. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies. **You are exposed to Credit Risk.** The Underlying Sub-Fund, which invests in bonds and other fixed income securities, is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater	Refer to Section 7.2.1 and Section 7.2.2 on page 4 of the Fund Summary for further information on market risk and credit risk of the Underlying Sub-

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price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. The Underlying Sub-Fund may invest in such lower quality fixed income securities, making it more susceptible to these problems and its value may be more volatile.	Fund.
Liquidity Risks	
You are exposed to Liquidity Risk. The ILP Sub-Fund is not listed and has no secondary market. You can only redeem your investment through the Company on a day on which dealing is permitted. Redemption of units in the ILP Sub-Fund may be suspended under certain circumstances. This will affect your ability to dispose units. The assets of the Underlying Sub-Fund may be relatively illiquid which may restrict its ability to dispose of the investments at a price and time that it wishes to do so. This may result in a loss to the ILP Sub-Fund. The liquidity of the ILP Sub-Fund may also be limited if a significant portion of the assets of the Underlying Sub-Fund is to be sold to meet redemption requests within a short time frame.	Refer to Section 7.1 on page 3 of the Fund Summary for further information on liquidity risk of the ILP Sub-Fund and to Section 9 on pages 9 and 10 of the Fund Summary for further information on Suspension of Dealings of the ILP Sub-Fund.
Product-Specific Risks	
You are exposed to Currency Risk. Movements in currency exchange rates may adversely affect the return of your investment. The base currency of the Underlying Sub-Fund is in USD whilst the ILP Sub-Fund invests in the share class AC-SGD offering. As the Underlying Sub-Fund's assets and liabilities may be denominated in currencies different from the base currency, the Underlying Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency and other currencies. Changes in currency exchange rates may influence the value of the Underlying Sub-Fund's shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. **You are exposed to Emerging Markets Risk.** The Underlying Sub-Fund may invest in both developed markets and Emerging Markets. Investing in Emerging Markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks. **You are exposed to Derivative Risk.** The Underlying Sub-Fund may use financial derivative instruments such as futures, forwards, options and swaps for the purpose of investment, hedging and Efficient Portfolio Management. Transactions in financial derivatives carry a high degree of risk. Financial derivative instruments may be leveraged and their prices can be very volatile. Investment in these instruments may result in losses in excess of the original amount invested. If the issuers of the derivative instruments default, or such securities or their underlying assets cannot be realized, or perform badly, investors may suffer substantial or, in certain cases, total loss of their investments. Governmental regulation and supervision of transactions on the OTC markets is generally lesser than of transactions on organised exchanges. Thus, investing in OTC derivatives involves higher counterparty risk and liquidity risk. **You are exposed to Counterparty Risk.** The Underlying Sub-Fund is exposed to the risk that any counterparty with which it trades may default on its obligations (e.g. due to insolvency) and thus cause losses to the ILP Sub-Fund.	Refer to Section 7.2 on pages 3 to 9 of the Fund Summary for further information on specific risks of the Underlying Sub-Fund.

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FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you as a percentage of your investment amount:

Bid-Offer Spread	Currently Nil*+
Surrender Penalty	Surrender penalty applies. You should also refer to the Product Summary for information on the surrender penalty*
Switching Fee	Currently Nil*

Payable by the ILP Sub-Fund from asset value of the ILP Sub-Fund:

Annual Management Fee	Currently 1.55% p.a. (maximum 2% per annum)*
Accounting and Valuation Fee	Currently does not exceed 0.05% per annum*

Additional fees charged by the Underlying Sub-Fund in which the ILP Sub-Fund invests:

Operating, Administrative and Servicing Expenses	Up to 0.25% per annum

* The Company reserves the right to review and amend the fees and charges by giving you at least thirty (30) days' advance notice.

+ This applies to GrowthInvest Insurance Plan only.

Refer to Section 8 on page 9 of the Fund Summary and Section 5 on pages 1 to 3 of the Product Summary for further information on fees, charges and Surrender Penalty (if applicable).

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

Bid price of the ILP Sub-Fund is published on the next day after valuation of the respective funds and can be found in on www.insurance.hsbc.com.sg.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You can exit or partially exit the ILP Sub-Fund at any time by informing the Company, either directly or through your Financial Consultant from whom you purchased the ILP Sub-Fund. If your application reaches our correspondence address before 3.30pm on a business day, it will be processed on the same business day. If your application is received after 3:30pm, it will be processed on the next business day. The units withdrawn will be realised at the bid price of the ILP Sub-Fund on the valuation date immediately following the date we accept your written application. The withdrawal proceeds will usually be paid out within 6 business days or such other period as stated in your Product Summary, whichever is earlier, from the day we process your valid application to exit or partially exit the ILP Sub-Fund.

The following is an illustration of the withdrawal amount** that you will receive from the ILP Sub-Fund based on withdrawal of 1,000 units, and bid price of $1.50, assuming the policy is surrendered in the first year with surrender penalty charge of 70% on the account value.

(1,000 x $1.50) - 70% (1,000 x $1.50) = $450

Gross withdrawal amount - surrender penalty charge = Net withdrawal amount

** You should also refer to the relevant Product Summary for information on any surrender penalty that may be applicable.

If you decide to terminate the Investment-Linked Policy within the free-look period of 14 days of receiving your Investment-Linked Policy, the Company will refund the initial premium you paid without interest, without incurring the fees and charges as stated above, less any medical and/or underwriting expenses incurred in accepting your application; and a sum to account for market fluctuation in respect of your units as determined by the Company. Please note that no top-up, fund switching, partial withdrawal or surrender is allowed during the free-look period.

Please refer to Section 11 on pages 10 to 11 of the Product Summary for more information on valuation, and to Sections 7 and 8 on pages 3 to 9 of the Product Summary for more information on withdrawal and switching.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

Please contact your Financial Consultant or call Customer Service Hotline at (65) 6225 6111, Mondays to Fridays, 9am to 5pm.

GLOSSARY	
“Class AC” refers to the Underlying Sub-Fund being (i) A = Share class A, (ii) C = No dividend payout, Capital Accumulation **“Efficient Portfolio Management”** refers to techniques and instruments which relate to transferable securities which fulfil the following criteria: 1. They are economically appropriate in that they are realised in a cost-effective way, 2. They are entered into for one or more of the following specific aims: • reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio), • reduction of cost (e.g. be short term cash flow management or tactical asset allocation), • generation of additional capital or income, with a level of risk that is consistent with the risk profile of the Underlying Sub-Fund (e.g. Securities Lending and/or Repurchase (and Reverse Repurchase) agreements where the collateral is not reinvested for any form of leverage). Please refer to Appendix 5 “Financial derivative instruments” of the Underlying Sub-Fund’s Luxembourg Prospectus for more information. **"Emerging Markets"** are markets in countries that are not amongst the following groups of industralised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets. **"Umbrella structure"** refers to a fund structure whereby a collective investment scheme exists as a single legal entity but has several distinct sub-funds.	

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HSBC Insurance World Selection 5 Fund
Fund Summary

1. Description of the ILP Sub-Fund

HSBC Insurance World Selection 5 Fund (the "**ILP Sub-Fund**") is an investment-linked policy sub-fund offered by HSBC Insurance (Singapore) Pte. Limited (the "**Company")** which also acts as the custodian of the ILP Sub-Fund.

Investment risk rating is only applicable to customers of HSBC Bank (Singapore) (the "**Bank**") and is used as a guide to determine the ILP Sub-Fund that is suitable to the risk profile as indicated in the Bank's Risk Profile Questionnaire (RPQ).

2. Structure of the ILP Sub-Fund

The ILP Sub-Fund is a single ILP sub-fund which feeds (invests all or substantially all of its assets) into the underlying sub-fund, HSBC Portfolios – World Selection 5 (Class AC-SGD) (the **"Underlying Sub-Fund")**, which is a sub-fund of the HSBC Portfolios (the "**Underlying Fund**"), an open-ended investment company with an umbrella structure, domiciled in Luxembourg.

The ILP Sub-Fund is not classified as an Excluded Investment Product (as defined within the MAS Notice 307 on Investment-Linked Policies (the **"MAS Notice 307"**)).

3. Information on the Manager

HSBC Global Asset Management (Singapore) Limited is the manager of the ILP Sub-Fund (the **"Manager"**).

The Manager was established in 1986 and has over 30 years of experience in managing collective investment arrangement and discretionary funds. As at 30 September 2016, HSBC Global Asset Management had USD 415.46 billion worth of assets under management globally.

The monies and assets of the ILP Sub-Fund are not expected to be affected by the insolvency of the Manager as monies and assets belonging to the ILP Sub-Fund are segregated from the Manager's assets through the maintenance of separate bank and custodian accounts for ILP Sub-Fund, and it is not permissible for monies and assets of the ILP Sub-Fund to be used for payment of the Manager's debts and liabilities under law.

3.1 Information on the Management Company and Investment Adviser of the Underlying Sub-Fund

HSBC Investment Funds (Luxembourg) S.A. is appointed as the Management Company (the "**Management Company")** of the Underlying Fund. The Management Company has been managing the Underlying Fund and collective investment schemes since September 1988.

HSBC Global Asset Management (UK) Limited has been appointed as the investment adviser (the **"Investment Adviser"**) of the Underlying Sub-Fund.

Formally established in 1994 in the United Kingdom, the Investment Adviser has been involved in the management of client funds since 1973 and is wholly owned by the HSBC Group. As at end September 2016, HSBC Global Asset Management (UK) Limited had around USD 74.624 billion worth of assets under management.

3.2 Information on the Depository Bank of the Underlying Sub-Fund

HSBC Bank Plc, Luxembourg Branch is the Depository Bank of the Underlying Sub-Fund **(the "Depositary Bank").**

4. The Auditor

The auditor of the ILP Sub-Fund is PricewaterhouseCoopers LLP.

5. Investment Objectives, Focus and Approach

5.1 Investment Objectives

The objective of the ILP Sub-Fund is to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a high risk investment strategy.

The Underlying Sub-Fund which the ILP Sub-Fund invests into invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

The Underlying Sub-Fund invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies.

The Underlying Sub-Fund invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. The Underlying Sub-Fund normally invests across a range of market capitalisations.

The Underlying Sub-Fund may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Underlying Sub-Fund's exposure to such holdings will normally be between 50% and 100%.

The Underlying Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Underlying Sub-Fund's primary currency exposure is to the US dollar.

Asset class exposure limits

For the specific groups of asset class described in the table below, the Underlying Sub-Fund has a total maximum exposure limit as follows:

Securities*	**Maximum exposure**
Equity	100%
Fixed income	20%
Total of the following:	45%
• Real estate*	15%
• Private equity	10%
• Commodity	10%
• Hedge fund	20%
• Absolute return	10%

* The Underlying Sub-Fund will not invest in direct real estate.

The principal of the ILP Sub-Fund will be at risk.

The ILP Sub-Fund may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a high degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

5.2 Investment Focus and Approach

The objective of the ILP Sub-Fund is achieved through investments in the Underlying Sub-Fund, HSBC Portfolios – World Selection 5 (Class AC-SGD).

The aim of the Underlying Sub-Fund is to provide long term return by investing in a diversified portfolio across a broad range of assets with a defined degree of risk.

The asset allocation of the Underlying Sub-Fund is actively managed. Assets of the Underlying Sub-Fund are invested in a dynamic mix of investments to balance opportunities and downside risks through the economic cycle.

The Underlying Sub-Fund invests in the full spectrum of instruments available across geographic regions, investment sectors and investment styles to build the optimal portfolio.

The Underlying Sub-Fund may invest in fixed income and equity securities as well as in specialist asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities.

Exposure to these assets classes may be achieved through investments directly into markets and/or investments in active and passive collective investment schemes (such as ETFs) including funds managed by the Investment Adviser and other HSBC entities.

The Underlying Sub-Fund may use financial derivative instruments for hedging purposes, cash flow management and tactical asset allocation as well as Efficient Portfolio Management

The Investment Adviser will actively manage the risk exposure of the Underlying Sub-Fund.

In respect of each Underlying Sub-Fund, the Investment Adviser may invest up to a maximum of 10% of the Net Asset Value of the Underlying Sub-Funds into Hong Kong domiciled funds or underlying funds which are managed out of Hong Kong.

5.3 Investor Profile

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

- are looking for a diversified investment solution
- seek a reasonable level of capital growth over the medium to long term, while willing to accept a high degree of risk
- understand and are comfortable with the volatility and associated risks of investments in equities and bonds around the world;
- understand that the principal of the ILP Sub-Fund will be at risk.

6. Central Provident Fund ("CPF") Investment Scheme

The ILP Sub-Fund is currently not included under the CPF Investment Scheme.

7. Risks

7.1 General Risks

Investors should consider and satisfy themselves as to the risks of investing in the ILP Sub-Fund. While the ILP Sub-Fund offers potential for capital appreciation, no assurance can be given that this objective will be achieved. Investors should also be aware that the price of units in the ILP Sub-Fund may fall or rise and investors may not get back their original investment. Investments in the ILP Sub-Fund are designed to produce returns over the long-term and are not suitable for short-term speculation. Investors should not expect to obtain short-term gains from such investments.

The ILP Sub-Fund may be subject to different degrees of economic, political, foreign exchange rate, interest rate, liquidity, default, regulatory and possible repatriation risks depending on the countries and asset classes that the Underlying Sub-Fund invests into or has exposure to.

There are general uncertainties and risks associated with investments and transactions in transferable securities and other financial instruments, including investments in financial derivative instruments for the purposes of hedging (and/or Efficient Portfolio Management) or as direct investments.

The ILP Sub-Fund may also be exposed to foreign exchange rate risks where it feeds into an Underlying Sub-Fund which invests in assets denominated in foreign currencies, or where the share class is denominated in a currency other than the Singapore dollar. Where the share class is the Singapore dollar hedged share class, the ILP Sub-Fund may still be subject to foreign exchange risks as the currency hedging process may not give a precise hedge.

The ILP Sub-Fund is not listed and has no secondary market. Investors can only redeem their investment through the Company on a day on which dealing is permitted. Redemption of units in the ILP Sub-Fund may be suspended under certain circumstances. This will affect an investor's ability to dispose units. The assets of the Underlying Sub-Fund may be relatively illiquid which may restrict its ability to dispose of the investments at a price and time that it wishes to do so. This may result in a loss to the ILP Sub-Fund. The liquidity of the ILP Sub-Fund may also be limited if a significant portion of the assets of the Underlying Sub-Fund is to be sold to meet redemptions requests on a short time frame.

Please refer to Section 7.2 of this Fund Summary for more information on the risks specific to the ILP-Sub-Fund.

7.2 Specific Risks

Investors in the ILP Sub-Fund should carefully consider the following risks of the Underlying Sub-Fund.

A comprehensive description of the following risks can be obtained from “Section 1.3 – Risk Considerations” in the Underlying Sub-Fund’s Luxembourg Prospectus and “Section 5 – Risks” of the Underlying Sub-Fund’s Singapore Prospectus.

7.2.1 Market Risk

The value of investments and the income derived there from may fall as well as rise and investors may not recoup the original amount invested in the Underlying Sub-Fund. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

7.2.2 Credit Risk

The Underlying Sub-Fund which has exposure to bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security’s liquidity, making it more difficult to sell. Investing in lower quality debt securities may make the Underlying Sub-Fund more susceptible to these problems and its value may be more volatile.

7.2.3 Currency Risk

Movements in currency exchange rates may adversely affect the return of your investment. The base currency of the Underlying Sub-Fund is in USD whilst the ILP Sub-Fund invests in the share class AC-SGD offering.

As the Underlying Sub-Fund’s assets and liabilities may be denominated in currencies different to the base currency, the Underlying Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency and other currencies. Changes in currency exchange rates may influence the value of the Underlying Sub-Fund’s shares, the dividends and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the base currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

The Underlying Sub-Fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved.

This strategy may also limit the Underlying Sub-Fund from benefiting from the performance of the Underlying Sub-Fund’s securities if the currency in which the securities held by the Underlying Sub-Fund are denominated rises against the base currency. In case of a hedged class (denominated in a currency different from the base currency), this risk applies systematically.

7.2.4 Liquidity Risk

The Underlying Sub-Fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of a shareholder to redeem funds from that Underlying Sub-Fund, and can also have an impact on the value of the Underlying Sub-Fund.

Although the Underlying Sub-Fund will invest mainly in the Investment Arrangements in which the shareholders are entitled to redeem their shares within a reasonable timeframe, there may be exceptional circumstances in which such Investment Arrangements cannot guarantee the liquidity of their shares/units. Absence of liquidity may have a determined impact on the Underlying Sub-Fund and the value of its investments.

7.2.5 Emerging Markets Risk

The Underlying Sub-Fund may invest in Emerging Markets. Investing in Emerging Markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political uncertainty, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.

Because of the special risks associated with investing in Emerging Markets, the Underlying Sub-Fund’s exposure to such securities should be considered speculative. Investors in such Underlying Sub-Fund are advised to consider carefully the special risks of investing in Emerging Market securities. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Emerging Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require the Underlying Sub-Fund to accept greater custodial risks in order to invest, although the Custodian of the Underlying Fund will endeavour to minimize such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlement have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of the Underlying Sub-Fund to make intended securities purchases due to settlement problems could cause the Underlying Sub-Fund to miss attractive investment opportunities.

Inability to dispose of the Underlying Sub-Fund's security caused by settlement problems could result either in losses to the Underlying Sub-Fund due to subsequent declines in value of the Underlying Sub-Fund's security or, if the Underlying Sub-Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the Underlying Sub-Fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in the Underlying Sub-Fund so affected.

Investors in Emerging Markets should be aware of the risk associated with investment in Russian equity securities, Markets are not always regulated in Russia and, at the present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

The Underlying Sub-Fund will therefore only invest up to 10% of its net asset value directly in Russian equity securities (except if they are listed on the RTS Stock Exchange, on the Moscow Interbank Currency Exchange in Russia and any other Regulated Markets in Russia which would further be recognized as such by the Luxembourg supervisory authority) while the Underlying Sub-Fund will invest in American, European and Global Depository Receipts, respectively ADRs, EDRs or GDRs, where underlying securities are issued by companies domiciled in the Russian Federation and then trade on a Regulated Market outside Russia, mainly in the USA or Europe. By investing in ADRs, EDRs and GDRs, the Underlying Sub-Fund expects to be able to mitigate some of the settlement risks associated with the investment policy, although other risks, e.g. the currency risk exposure, shall remain.

7.2.6 Interest Rate Risk

The Underlying Sub-Fund which has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

7.2.7 Downgrading Risk

Investment Grade bonds may be subject to the risk of being downgraded to Non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Underlying Sub-Fund's investment value in such security may be adversely affected. The Management Company or the Investment Adviser may or may not dispose of the securities, subject to the investment objective of the Underlying Sub-Fund. If downgrading occurs, the non-Investment Grade debt risk outlined in the paragraph below will apply.

7.2.8 Non-Investment Grade Fixed Income Securities Risk

Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality than for Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Underlying Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the Underlying Sub-Fund's price may be more volatile.

7.2.9 Volatility of Financial Derivative Instruments

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

7.2.10 Futures and Options

Under certain conditions, HSBC Portfolios may use options and futures on securities, indices and interest rates for different purposes (i.e. investment, hedging and Efficient Portfolio Management). Also, where appropriate, HSBC Portfolios may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

7.2.11 OTC Financial Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, an Underlying Sub-Fund entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that an Underlying Sub-Fund will sustain losses. HSBC Portfolios will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures HSBC Portfolios may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that an Underlying Sub-Fund will not sustain losses as a result. From time to time, the counterparties with which HSBC Portfolios effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, HSBC Portfolios might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset HSBC Portfolios' obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, HSBC Portfolios may be required, and must be able, to perform its obligations under the contracts.

7.2.12 Counterparty Risk

HSBC Portfolios on behalf of the Underlying Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Underlying Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the HSBC Portfolios on behalf of the Underlying Sub-Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Underlying Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Underlying Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the HSBC Portfolios seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the HSBC Portfolios on behalf of a Underlying Sub-Fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the Underlying Sub-Fund's entire investment as the

Underlying Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

7.2.13 Investment in Real Estate

Investments in equity securities issued by companies or in shares/units of real estate Collective Investment Scheme which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. These risks include, among others, possible declines in the value of real estate. Risks related to general and local economic conditions, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increases in competition, real estate taxes and transaction, operating and foreclosure expenses, changes in zoning laws, costs resulting from the cleanup of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses, uninsured damages from natural disasters and acts of terrorism, limitations on and variations in rents; and changes in interest rates. The strategy may invest in securities of small to mid-size companies which may trade in lower volumes and be less liquid than the securities of larger, more established companies or other Collective Investment Schemes. There are therefore risks of fluctuations in value due to the greater potential volatility in their share prices.

7.2.14 Investment in REITS

Investors should note that insofar as the Underlying Sub-Fund directly invests in REITs, any dividend policy or dividend payout at the Underlying Sub-Fund level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT.

The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

7.2.15 Investment in Hedge Funds

Hedge funds are considered to fall within the category of alternative investments. Hedge funds often engage in borrowing money to increase returns and other speculative investment practices that may increase the risk of investment loss. They may also regularly make short sales, i.e. sales of assets received through securities lending from a third party, for which there exists an obligation to return the securities. If the price of the securities increases the hedge funds may suffer a loss, possibly unlimited in amount. They can be difficult to sell, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important information. Alternative investments may not always be subject to governmental or regulatory supervision and are generally not bound by investment restrictions or limits. They are often not subject to the same regulatory requirements as, say, funds and often charge high fees that may potentially offset trading profits when they occur. Exposure to hedge funds through derivatives is subject to the risks associated with such derivatives described in this section.

7.2.16 Investment in Private Equity

Private equity investments are generally illiquid, long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). It can take a longer time for money to be invested as well as a longer time for investments to produce returns after initial losses. There is a higher degree of risk that the entire investment may be lost. Private equity companies are subject to little or no regulatory supervision and thus the reporting standards may be lower than exchange traded companies.

7.2.17 Investment in Commodity Collective Investment Arrangements or Commodity Financial Derivative Instruments

The Underlying Sub-Fund may have exposure to commodities markets. This type of exposure generally entails greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may vary widely based on a variety of factors. These include changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or expectations concerning interest rates, domestic and foreign inflation rates and/or investor expectations concerning inflation rates and investment and trading activities of mutual funds and commodities funds.

Prices of various commodities may also be affected by factors such as droughts, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments. Many of these factors are very unpredictable. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. As a result political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities.

Because the Underlying Sub-Fund's performance may be linked to the performance of highly volatile commodities, investors should consider purchasing shares of the Underlying Sub-Fund only as part of an overall diversified portfolio and should be willing to assume the risks of potentially significant fluctuations in the value of the Underlying Sub-Fund shares.

7.2.18 Financial Derivative Instruments

The Underlying Sub-Fund may achieve its investment policy by investing in financial derivative instruments. However, the Underlying Sub-Fund does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for Efficient Portfolio Management.

Financial derivative instruments that the Underlying Sub-Fund may use include, but are not limited to:
- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by the Underlying Sub-Fund (for example, participation notes and convertibles).

7.2.19 Specific Nature of a Fund of Funds

Prospective investors should be aware of the specific features of a fund of funds and the consequences of investing in the Collective Investment Arrangement. Although HSBC Portfolios will seek to monitor investments and trading activities of the Collective Investment Arrangement to which the Underlying Sub-Fund's assets will be allocated, investment decisions are made at the level of such Collective Investment Arrangement and it is possible that the manager of such Collective Investment Arrangement will take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Consequently there is a possibility that one Collective Investment Scheme may purchase an asset at about the same time as another Collective Investment Scheme may sell it.

There can be no assurance that the selection of the manager of the Collective Investment Arrangement will result in an effective diversification of investment styles and that positions taken by the underlying Collective Investment Arrangement will always be consistent.

The selection of the Collective Investment Arrangement will be made in a manner to secure the opportunity to have the shares or units in such Collective Investment Arrangement redeemed within a reasonable time frame. There is, however, no assurance that the liquidity of the Collective Investment Arrangement will always be sufficient to meet redemption requests as and when made.

7.2.20 Duplication of costs when investing in Collective Investment Arrangement

HSBC Portfolios incurs costs of its own management and administration comprising the fees paid to the Management Company (which include among others the fees of its Custodian, unless otherwise provided hereinafter) and other service providers. It should be noted that, in addition, HSBC Portfolios incurs similar costs in its capacity as an investor in the Collective Investment Arrangement which in turn pay similar fees to their manager and other service providers. The directors of HSBC Portfolios endeavour to reduce duplication of management charges by negotiating rebates where applicable in favour of HSBC Portfolios with the Collective Investment Arrangement or their manager.

Further, the investment strategies and techniques employed by certain Collective Investment Arrangement may involve frequent changes in positions and a consequent turnover in the Underlying Sub-Fund. This may result in brokerage commission expenses which exceed significantly those of the Collective Investment Arrangement of comparable size.

The Collective Investment Arrangement may be required to pay performance fees to their manager. Under these arrangements the manager will benefit from the appreciation, including unrealised appreciation of the investments of such Collective Investment Arrangement, but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by HSBC Portfolios are likely to represent a higher percentage of the Net Asset Value than would typically be the case with Collective Investment Arrangement which invest directly in equity and bond markets (and not through other Collective Investment Arrangement).

7.2.21 Conflicts

There are potential conflicts of interest which may arise between HSBC Portfolios and those persons and entities which are involved as manager of the Collective Investment Arrangement. Manager normally manage assets of other clients that make investments similar to those made on behalf of HSBC Portfolios and such clients could thus compete for the same trades or investments. Whilst available investments or opportunities are generally allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed of. Conflicts may also arise as a result of other services provided by the affiliates of the HSBC Group which may provide advisory, custodial or other services to other clients and to some of the Collective Investment Arrangement in which HSBC Portfolios invests.

HSBC Portfolios may also invest in other Collective Investment Arrangement which are managed by the Management Company or Investment Adviser of HSBC Portfolios. The directors of the Management Company may also be directors of the Collective Investment Arrangement and the interest of such Collective Investment Arrangement and of HSBC Portfolios could result in conflicts. Generally there may be conflicts between the best interests of HSBC Portfolios and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from HSBC Portfolios or the Collective Investment Arrangement. In the event that such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner.

7.2.22 Taxation Risk

Investors should note in particular that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) the Underlying Sub-Fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which an Underlying Sub-Fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Underlying Sub-Fund could become subject to additional taxation in such countries that is not anticipated either at the date of the Underlying Sub-Fund's Prospectus or when investments are made, valued or disposed of.

8. Fees and Charges

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

Management fee is currently at 1.55% per annum (maximum 2% per annum).

The accounting and valuation fee currently does not exceed 0.05% per annum.

8.2 Payable by cancellation of units

Please refer to Section 5 (5.1 to 5.4) of the Product Summary.

8.3 Additional fees charged by the Underlying Sub-Fund in which the ILP Sub-Fund invests

Operating, Administrative and Servicing Expenses is up to 0.25% per annum.

The other charges reflected in the Singapore Prospectus of the Underlying Sub-Fund under "The fees and charges payable by the Sub-Fund" (in Section 5 "Fees and Charges") such as the sales charge, redemption fee, switching fee and management fee are not applicable.

Please refer to the Luxembourg Prospectus and the Singapore Prospectus for further details or updates on the additional fees above as may be determined by the Manager from time to time.

9. Suspension of Dealings

9.1 The Company may suspend the issue, realization and/or cancellation of units by the Policyholder as and when the issue, realization and cancellation of units of the Underlying Sub-Fund is suspended.

9.2 The circumstances under which the issue, realization and/or cancellation of units of the Underlying Sub-Fund may be suspended are set out in the HSBC Portfolios Prospectus (as may be supplemented or replaced from time to time).

9.3 In addition, the Company may suspend the issue, realization and/or cancellation of units by the Policyholder under the following circumstances:

(a) any 48-hour period (or such longer period as the Company may agree) prior to the date of any meeting of Policyholders (or any adjourned meeting thereof);

(b) any period when the dealing of units is suspended pursuant to any order or direction of the MAS; or

(c) any period when the business operations of the Company in relation to the operation of the ILP Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

9.4 Such suspension shall take effect forthwith upon the declaration in writing thereof by the Company and shall terminate on the day following the first business day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorized under this paragraph shall exist upon the declaration in writing thereof the Company.

10 Performance of the ILP Sub-Fund

The performance of the ILP Sub-Fund as at 31 July 2017 as shown below.

Cumulative Total Returns

Period	HSBC Insurance World Selection 5 Fund (Class AC-SGD)
3-month	1.34%
6-month	5.24%
1-year	14.79%
3-year	21.78%
5-year	59.33%
10-year	N.A
Since Inception*	41.74%

Average Annual Compounded Returns

Period	HSBC Insurance World Selection 5 Fund (Class AC-SGD)
1-year	14.79%
3-year	6.79%
5-year	9.76%
10-year	N.A
Since Inception*	4.90%

* Inception date: 20 April 2010

Source: HSBC Insurance (Singapore) Pte. Limited, HSBC Global Asset Management (Singapore) Limited, Bloomberg L.P.

The ILP Sub-Fund has no benchmark as the provision of benchmarks is not possible. Amongst 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.

Note: The performance of the ILP Sub-Fund is not guaranteed and the value of investments and income from them may fall as well as rise. Past performance of the ILP Sub-Fund is not necessary indicative of future performance.

10.1 Basis of Calculating the return

The performance figures are calculated in Singapore Dollars using bid-to-bid/NAV-to-NAV prices, with any income or dividends reinvested. Fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

11. Expense ratio

The expense ratio for the ILP Sub-Fund for the period 1 July 2015 to 30 June 2016 is 1.73%.

The expense ratio of the ILP Sub-Fund does not include charges for insurance coverage, brokerage and other transactions costs, performance fee, foreign exchange gains and losses, front and back end loads arising from the purchase or sales of other funds and tax deducted at source or arising out of income received. The expense ratio of the

ILP Sub-Fund is calculated in accordance to Investment Management Association of Singapore's guidelines as required by MAS Notice 307.

12. Turnover Ratio

The turnover ratio for the ILP Sub-Fund for the period 1 July 2015 to 30 June 2016 is 4.28%.

The turnover ratios of the ILP Sub-Fund and the Underlying Sub-Fund are is calculated based on the lesser of purchase or sales expressed as a percentage over average daily net asset value.

The turnover ratio of the Underlying Sub-Fund for the period 1 July 2015 to 30 June 2016 is 0.42%.

13. Soft Dollar Commissions/Arrangements

The Company does not receive any soft dollar commission in respect of the ILP Sub-Fund. Soft dollars refers to arrangements under which products or services, other than the execution of securities transactions, are obtained from or through a broker in exchange for the direction by the manager of transactions to the broker.

The Manager currently does not receive or enter into soft-dollar commissions or arrangements in respect of the ILP Sub-Fund but it may do so in the future.

The Investment Adviser will not accept or enter into soft-dollar commissions or arrangements unless such soft-dollar commissions or arrangements would, in the opinion of the Investment Adviser, assist the Investment Adviser in its management of the Underlying Sub-Fund, provided that the Investment Adviser shall ensure at all times that the transactions are executed at the best available terms taking into account the relevant market at the time for transactions of this kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements. The Investment Adviser shall not receive goods and services such as travel accommodation and entertainment.

14. Conflicts of Interest

The Company and the Manager are part of The HSBC Group. All transactions which present a conflict of interest or between entities within the HSBC Group will be conducted on an arm's length basis

Affiliates of the HSBC Group act as counterparties for certain forward foreign exchange and financial futures contracts. HSBC Global Investment Funds utilises the brokerage services of HSBC Securities and HSBC Investment Bank, both part of HSBC Bank plc, which is a fellow subsidiary of HSBC Investment Funds (Luxembourg) S.A., within the HSBC Group. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

The Management Company, the Investment Adviser, the Depositary Bank and sales agents, administrative agent and registrar and transfer agent of the Underlying Sub-Fund may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Underlying Fund or the Underlying Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Underlying Fund or the Underlying Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Underlying Fund or the Underlying Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

Other potential conflicts of interest are described in Section 2.17 of the Underlying Sub-Fund's Luxembourg Prospectus.

15. Reports

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

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

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

16. Other material information

The Fund Summary must be read in conjunction with the Product Highlights Sheet and the Product Summary.

The Underlying Sub-Fund's Prospectus is available for download at http://www.assetmanagement.hsbc.com/sg.

16.1 Distribution of Income, Capital and Dividends

There will be no distribution of income or capital for the ILP Sub-Fund.

16.2 Investment Guidelines and Restrictions

The Investment Guidelines that has to be complied with by the ILP Sub-Fund is MAS Notice 307 Notice on Investment-Linked Policies, where applicable. The investment restrictions imposed by Luxembourg law will be complied with by the Underlying Sub-Fund.

Please refer to Appendix 3 "General Investment Restrictions" and Appendix 4 "Additional restrictions" of the Underlying Sub-Fund's Luxembourg Prospectus for details on the investment restrictions of the Underlying Sub-Fund.

17. Glossary

"Class AC" refers to the Underlying Sub-Fund being (i) A = Share class A, (ii) C = No dividend payout, Capital Accumulation.

"Efficient Portfolio Management" refers to techniques and instruments which relate to transferable securities which fulfil the following criteria:

1. They are economically appropriate in that they are realised in a cost-effective way,
2. They are entered into for one or more of the following specific aims:

- reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio),
- reduction of cost (e.g. be short term cash flow management or tactical asset allocation),
- generation of additional capital or income, with a level of risk that is consistent with the risk profile of the Underlying Sub-Fund (e.g. Securities Lending and/or Repurchase (and Reverse Repurchase) agreements where the collateral is not reinvested for any form of leverage)

Please refer to Appendix 5 "Financial derivative instruments" of the Underlying Sub-Fund's Luxembourg Prospectus for more information.

"Emerging Markets" are markets in countries that are not amongst the following groups of industralised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.

"Regulated Market" as defined in the directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), is a market which appears on the list of the regulated markets drawn up by each member state of the European Union ("EU"), which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in any member state of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.

"Umbrella structure" refers to a fund structure whereby a collective investment scheme exists as a single legal entity but has several distinct sub-funds.