HSBC Life – Life Treasure III Product Summary

Details of Product Provider

HSBC Life (Singapore) Pte. Ltd. ("HSBC", "we", "our", "us") (Reg. No. 199903512M) is the product provider and underwriter for this product. This product is distributed through HSBC's representatives or appointed distributors only.

Important Notes

This document contains a summary of the main product features only. The content of this summary may vary from the terms of the Policy General Provisions and other contractual documents ("Policy Contract") finally issued to you. Only terms in your Policy Contract are binding between us. Please refer to the Policy Contract for details on contractual provisions and definitions of terms used in this document, unless otherwise defined in this document. A sample of the Policy General Provisions is available upon request. In this Product Summary, reference to "Age" means the age nearest to the Life Assured's birthday and the illustration is based on Singapore dollars (SGD).

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high costs and the surrender value, if any, that is payable to you may be zero or less than the total premiums paid.

Please refer to the Policy Illustration which illustrates the surrender value you may receive in different Policy Years if you intend to surrender your Policy.

We urge you to carefully examine the features of this plan, particularly the surrender provisions and your investment objectives/expectations, with your financial advisor before deciding to invest.

If any information provided in the insurance application is inaccurate or incomplete, the Policy may become void from the start. We reserve the right to amend or revoke the Policy or adjust the Benefits at our sole and absolute discretion. If the Policy is void or revoked, we will refund the Premium(s) you paid without interest, less any medical and/or underwriting expenses incurred in accepting your application.

Product Description

1. Nature and Objective of the Product

1.1. HSBC Life – Life Treasure III is a regular premium, participating whole life policy which provides financial protection against death, total and permanent disability, and terminal illness until the age of 99. The plan offers higher protection until the selected Multiplier Coverage Age, based on the selected Multiplying Factor:

(a) Choices of Multiplier Coverage Age: 65, 70 or 80

(b) Choices of Multiplying Factor: 2.5, 3.5, 4.5 or 6 times of the Basic Sum Assured

The plan also provides additional benefits and options such as Accidental Death Benefit, Family Support Benefit, Payout Option and Guaranteed Insurability Option. In addition, the plan participates in the performance of the Participating Fund in the form of non-guaranteed bonuses.

You may choose to pay your premiums for a limited premium payment term of 10, 15, 20, 25 or 30 years. Premiums for the Basic Policy are level and guaranteed throughout the premium payment term.

For more comprehensive protection, a range of optional riders attachable to HSBC Life – Life Treasure III are also available. Please refer to the Product Summary of the rider(s) for more details.

1.2. This plan is suitable for those with protection needs.

1.3. This plan is **not** suitable for those looking for pure insurance cover with no savings component.

2. Benefits under the Plan

2.1. Multiplier Benefit

The Multiplier Benefit is the guaranteed amount that you will receive in the event of Death Benefit, Accidental Death Benefit, Total and Permanent Disability Benefit and/or Terminal Illness Benefit and it varies depending on the occurrence of the covered event(s) whether it is on, before, or after the Policy Anniversary nearest to the selected Multiplier Coverage Age. The Multiplier Benefit is subject to any applicable limit.

On or before the Policy Anniversary nearest to the selected Multiplier Coverage Age, the Multiplier Benefit on the Basic Policy is the Basic Sum Assured multiplied by the selected Multiplying Factor.

After the Policy Anniversary nearest to the selected Multiplier Coverage Age, the Multiplier Benefit reduces by 10% each Policy Year for the next 5 policy years. Thereafter, the Multiplier Benefit remains at 50% until the end of the policy term. Below is an illustration table of the Multiplier Benefit:

	Multiplier Coverage Age Selected:			**% of the Multiplier Benefit**
	65	**70**	**80**	
Policy Anniversary nearest to the selected Multiplier Coverage Age	66	71	81	90%
	67	72	82	80%
	68	73	83	70%
	69	74	84	60%
	70 to 99	75 to 99	85 to 99	50%

The Multiplier Benefit is a non-participating benefit and does not provide any Cash Surrender Value. For the avoidance of doubt, the Multiplier Benefit already includes any accrued Reversionary Bonuses or Terminal Bonuses which we will not pay in addition to the Multiplier Benefit. Upon a claim where the sum payable is less than the Death Benefit, the bonuses will be adjusted proportionately.

2.2. Death Benefit

If the Life Assured dies while the Policy is in-force, we will pay the following Death Benefit in one lump sum:

(a) the applicable Multiplier Benefit on the Basic Policy; or

(b) the Sum Assured of the Basic Policy plus any accumulated bonuses;

whichever is higher, less any amount owing to us.

2.3. Accidental Death Benefit

If the Life Assured dies due to an accident on or before the Policy Anniversary nearest to the Life Assured's 80th birthday while the Policy is in-force, we will pay an additional amount as follows, subject to the maximum limit payable for Accidental Death Benefit:

On or before the Policy Anniversary nearest to the selected Multiplier Coverage Age	After the Policy Anniversary nearest to the selected Multiplier Coverage Age
(a) The Multiplier Benefit on the Basic Policy if the Multiplier Benefit is paid out under the Death Benefit; or (b) The Sum Assured of the Basic Policy if the Sum Assured of the Basic Policy is paid out under the Death Benefit	The Sum Assured of the Basic Policy

Accidental Death means death occurring within ninety days of bodily injury and due solely to an Accident.

The maximum Accidental Death Benefit payable on the Life Assured is S$3.5 million, inclusive of all other accidental death benefit payable under the policies issued by us and other insurance companies for the same Life Assured.

2.4. Total and Permanent Disability ("TPD") Benefit

If the Life Assured suffers from TPD while the Policy is in-force, we will pay the TPD Benefit as an advancement of the Death Benefit in one lump sum, subject to the maximum limit payable for TPD Benefit.

TPD means any of the following situations:

Age of Life Assured	TPD Definition
All ages	The Life Assured suffers from any of the following: (a) Total and permanent loss of sight in both eyes; (b) Physical loss or loss of use of any 2 limbs; or (c) Total and permanent loss of sight in one eye with physical loss or loss of use of any one limb.
Below 16	The disability is caused by an Accident, sickness or disease and: (a) the Life Assured is in constant need of care and attention; or (b) the Life Assured is confined to his home under medical supervision or in a hospital or similar institution; and (c) the disability is continuous, expected to be permanent, and has lasted for at least 6 months.

16 to 64	The disability is caused by an Accident, sickness or disease and: (a) results in the complete and continuous inability of the Life Assured to engage in any business, occupation, work or profession of any kind for profit, compensation, wages or remuneration; and (b) the disability is continuous, expected to be permanent and has lasted for at least 6 months;
Age of Life Assured	**TPD Definition**
16 to 70	The disability is caused by an Accident, sickness or disease, and the Life Assured becomes totally and permanently unable to perform, i) at least two (2) “2 ADL”; or ii) at least three (3) “3 ADL”, of the six (6) “Activities of Daily Living” as defined below even with the aid of special equipment, and always require physical assistance of another person throughout the physical activity for a continuous period of at least six (6) months. “Activities of Daily Living” or “ADL” is defined as: (a) Transferring: The ability to move from a bed to an upright chair or wheelchair and vice versa (b) Mobility: The ability to move indoors from room to room on level surfaces (c) Toileting: The ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene (d) Dressing: The ability to put on, take off, secure and unfasten all garments and as appropriate, any braces, artificial limbs or surgical appliances (e) Washing: The ability to wash in the bath or shower (including getting into and out of the bath or shower) or to wash satisfactorily by any other means (f) Feeding: The ability to feed oneself once food has been prepared and made available

The diagnosis of TPD must be confirmed and certified by a Registered Medical Practitioner.

The maximum TPD Benefit payable on the Life Assured is capped at the applicable limit set out in the table below. The total TPD benefit payable under all policies issued by us and other insurance companies cannot exceed the applicable limit for the same Life Assured.

Residency Status	**Maximum TPD Benefit payable for Life Assured aged below 16**	**Maximum TPD Benefit for Life Assured aged 16 and above**	
		TPD claim under TPD definition for Life Assured who suffers 2 ADL	**TPD claim under any other TPD definition**
Singapore Citizen, Permanent Resident, or holder of a valid pass	S$1 million	S$3 million	S$6 million
Not Singapore Citizen, Permanent Resident, or holder of a valid pass		S$2 million	S$4 million

Upon the admission of a claim under the TPD Benefit:

(a) if the sum payable for TPD Benefit is the same as the Basic Sum Assured, your Basic Policy will automatically terminate once we paid the TPD Benefit; or

(b) if the sum payable for TPD Benefit is lower than the Basic Sum Assured, the Multiplier Benefit will be automatically reduced by an amount equal to the sum we paid for the TPD Benefit, and the Basic Sum Assured will be adjusted correspondingly. Your Basic Policy will remain in force, and the Premiums payable will be adjusted accordingly based on the reduced Basic Sum Assured. In addition, your bonuses will be adjusted proportionately.

2.5. Terminal Illness ("TI") Benefit

If the Life Assured is diagnosed with TI while the Policy is in-force, we will pay the TI Benefit as an advancement of the Death Benefit in one lump sum, subject to the maximum limit payable for TI Benefit.

Terminal Illness ("TI") means "any condition caused by illness or injury, where at the time of claim, despite all reasonable medical treatment, the Life Assured is expected to live for no more than 12 months." The specialist medical practitioner treating the condition must provide supporting evidence of the condition, possible medical treatment, the prognosis after undergoing the possible medical treatment, and certify that the Life Assured is expected to live for no more than 12 months despite all possible medical intervention. We reserve the right to appoint an independent medical specialist who is an expert in the condition to confirm the diagnosis and prognosis. Terminal Illness in the presence of Human Immunodeficiency Virus (HIV) infection is excluded.

The maximum TI Benefit payable on the Life Assured is capped at S$3 million. The total TI benefit payable under all policies issued by us and other insurance companies cannot exceed the applicable limit for the same Life Assured.

Upon the admission of a claim under the TI Benefit:

(a) if the TI Benefit payable is the same as the Basic Sum Assured, the Policy will automatically terminate once we paid the TI Benefit; or

(b) if the TI Benefit payable is lower than the Basic Sum Assured, the Multiplier Benefit will automatically be reduced by an amount equal to the sum we paid for the TI Benefit, and the Basic Sum Assured will be adjusted correspondingly. Your Basic Policy will remain in force, and the Premiums payable will be adjusted accordingly based on the reduced Basic Sum Assured. In addition, your bonuses will be adjusted proportionately.

All future claims will be based on the reduced Basic Sum Assured plus accumulated bonuses (if any) less any amount owing to us. The Policy's Premium will also be pro-rated based on the reduced Basic Sum Assured and its attached Rider(s) (where applicable), and the revised premium will take effect from the next Policy Anniversary after such reduction of the Basic Sum Assured.

2.6. Family Support Benefit

If the Life Assured's spouse (only in the case if the Policyholder is also the Life Assured or the Life Assured's spouse on the Date of Issue) or the Life Assured's parent (only in the case if a Life Assured is the child of the Policyholder on the Date of Issue) dies while the Policy is in-force, we will pay in one lump sum, an additional amount equivalent to the Policy premiums (including the premiums for any attaching Riders) for two years.

The benefit payable is the prevailing Premiums multiplied by the applicable factor in the table below, based on the prevailing premium payment mode of the Policy:

Premium Payment Mode	Factor
Annual	2
Semi-annual	4

Quarterly	8
Monthly	24

Where the Family Support Benefit covers the Life Assured's spouse:

(a) the Life Assured must be the Policyholder himself or the Policyholder is the Life Assured's spouse on the Date of Issue (i.e. not applicable in the case of absolute Assignment)

(b) the maximum entry Age of the Life Assured's spouse is 50 years old at the point of marriage or Commencement Date, whichever is later;

(c) this benefit expires once a claim is admitted, once the Life Assured's spouse is 75 years old, when there is a change in Policyholder, or at the end of the Premium Payment Term, whichever is the earliest; and

(d) a waiting period of two years applies from the Date of Issue, Commencement Date, Reinstatement Date or date of registration of marriage, whichever is the latest.

Where the Family Support Benefit covers the Life Assured's parent:

(a) the Life Assured must be the child of the Policyholder on the Date of Issue (i.e. not applicable in the case of absolute Assignment);

(b) the maximum entry Age of the Life Assured's parent is 50 years old at the Commencement Date;

(c) this benefit expires once a claim is admitted, once the Life Assured reaches 25 years old, once the Policyholder reaches 75 years old, when there is a change in Policyholder, or at end of the Premium Payment Term, whichever is the earliest; and

(d) a waiting period of two years applies from the Date of Issue, Commencement Date, Reinstatement Date or effective date of the change of Policyholder, whichever is the latest.

2.7. Payout Option

At any time after the selected Multiplier Coverage Age (at the Policy Anniversary nearest to the Life Assured's 65^{th}, 70^{th} or 80^{th} birthday), you may request to exercise the option to receive Annual Payouts for 10 Policy Years.

You may choose a payout percentage of up to 80% of the total surrender value available to you for this option. The Annual Payout shall be calculated as follows:

$$Annual\ Payout = \frac{Total\ surrender\ value\ on\ the\ date\ of\ request\ \times payout\ percentage}{10}$$

The payout option is subject to the following terms and conditions:

(a) You can exercise this option only once while the Policy is in-force, starting from the Policy Anniversary nearest to the selected Multiplier Coverage Age until the Policy Anniversary nearest to the Life Assured's 89^{th} birthday;

(b) The minimum Annual Payout amount is $500, or an amount as determined by us from time to time;

(c) The Policy must fulfill the minimum Basic Sum Assured requirement as determined by us; and

(d) You must repay all amounts owing to us before exercising this option.

Upon exercising this option:

(a) We will make the first Annual Payout on the next Policy Anniversary after the date of request;

(b) The Basic Sum Assured will be adjusted after each Annual Payout as follows, subject to the minimum Basic Sum Assured requirement as determined by us:

i. $$\begin{matrix} \text{Adjusted Basic} \\ \text{Sum Assured} \end{matrix} = \begin{matrix} \text{Basic Sum Assured} \\ \text{before Annual Payout} \end{matrix} \times \left(1 - \begin{matrix} \text{payout} \\ \text{percentage} \end{matrix} \times \frac{\text{no.of annual payouts made}}{10}\right)$$

(c) The basic benefits and bonuses under the Policy shall be adjusted accordingly based on the adjusted Basic Sum Assured. If the adjusted Basic Sum Assured is less than the sum assured for Critical Illness Benefit III or Early Critical Illness Benefit III (if selected), the sum assured of the respective Riders shall be reduced accordingly to match the adjusted Basic Sum Assured;

(d) You may not change or cancel the selected option after the first Annual Payout; and

(e) You may not decrease the Basic Sum Assured or take up a policy loan while the payout option remains in effect.

The Annual Payout will end when:

(a) the Policy is terminated due to any reason whatsoever;

(b) the Basic Sum Assured cannot be reduced further due to the minimum Basic Sum Assured requirement;

(c) the Annual Payout amount is lower than the minimum Annual Payout amount, or an amount as determined by us from time to time; or

(d) the Basic Sum Assured becomes less than the minimum required amount due to any applicable partial claim,

whichever occurs first.

2.8. Guaranteed Insurability Option ("GIO")

Subject to the our approval, the Policyholder has the option to purchase a new GIO whole life, term or investment-linked policy covering death, TI, TPD and/or Critical Illness ("CI"), without providing evidence of health when one of the following significant life stage events occur:

The significant life stage events are:

(a) the Life Assured's legal marriage / divorce;

(b) the Life Assured has a new born baby;

(c) the Life Assured has adopted a child through legal means;

(d) the Life Assured has completed a purchase of a property in Singapore;

(e) the Life Assured's child entering primary school or secondary school or university;

(f) the Life Assured enters first full-time employment after graduation; or

(g) the Death of the Life Assured's spouse

We may add on or remove any significant life stage events at our discretion. The new GIO whole life, term or investment-linked policy is subject to the availability at the point of time. Refer to HSBC Life website for the list of current eligible GIO Policy offered.

You may exercise GIO subject to the following Terms and Conditions below:

(a) the Policy must be incepted at standard terms;

(b) the Policyholder must exercise the GIO within 90 days from the date of occurrence of the significant life stage event, subject to the Company's receipt of satisfactory supporting legal documents;

(c) the Life Assured must be less than 55 years old at the time of exercising the GIO;

(d) the Life Assured must not have had any claim admitted under the original HSBC Life - Life Treasure III Policy;

(e) the Life Assured must not be suffering from TPD, or diagnosed with TI or any stage of CI or had presented with symptom(s) that would have caused any prudent person to seek medical treatment, diagnosis or care, or medical advice of any Critical Illness on or before the date of exercising of the GIO feature;

(f) CI cover will only be offered under the GIO whole life, term or investment-linked policy provided an eligible CI Rider was added to the Original HSBC Life - Life Treasure III Policy at the point of inception, and at standard terms. The eligible CI Riders under the HSBC Life - Life Treasure III Policy are:

    i) Early Critical Illness Benefit III; and

    ii) Critical Illness Benefit III;

(g) the Policyholder may exercise the GIO once per Policy Year and up to a maximum of three (3) times during the lifetime of the Life Assured. Each significant life stage event may be exercised more than once, except for significant life stage events (a) and (d) listed above; and

(h) where there is more than one HSBC Life Policy with GIO covering the same Life Assured at the time the Policyholder exercises the GIO, the Policyholder may only exercise the GIO on a particular life stage event under one HSBC Life Policy, and not under all the HSBC Life Policies with GIO feature.

The sum assured of the new GIO whole life, term or investment-linked policy will be any amount from:

(a) the lower of:

    i) The minimum Basic Sum Assured of an HSBC Life - Life Treasure III Policy or

    ii) The minimum basic sum assured of the new GIO whole life, term or investment-linked policy;

(b) Up to:

    i) 100% of the original HSBC Life - Life Treasure III Basic Sum Assured specified on the Certificate of Insurance first issued by us; or

    ii) where you have opted for CI coverage, 100% of the original eligible CI Rider;

(c) Not exceeding S$300,000, or Multiplier Benefit, whichever is lower.

For the avoidance of doubt, where there are more than one (1) eligible CI Riders added to the HSBC Life - Life Treasure III Policy, we will consider the Sum Assured of the lower CI Rider when assessing the GIO whole life, term or investment-linked policy.

The sum assured of the new GIO whole life, term or investment-linked policy shall not exceed the prevailing maximum sum assured allowed for death, TI, TPD and/or CI per Life Assured, including all other policies issued by HSBC Life and other insurance companies in respect of the same Life Assured, when the sum assured of the new GIO whole life, term or investment-linked policy is aggregated with the Life Assured’s existing coverage.

2.9. Maturity Benefit

We will pay the Maturity Benefit in one lump sum, less any amount owing to us, provided all of the following conditions are met:

(a) the Life Assured survives up to and including the Maturity Date; and

(b) this Policy remains in force and the Death benefit (including advancement of the Death Benefit by a TI, TPD and CI claim, where applicable) has not been fully paid.

The Maturity Benefit payable will be an amount equal to the prevailing Death Benefit, as at the Maturity Date. This Policy will automatically terminate upon payment of the Maturity Benefit.

3. Bonuses

The Basic Policy participates in the performance of the Participating Fund in the form of non-guaranteed bonuses, namely Reversionary Bonus and Terminal Bonus. Future bonuses which have yet to be allocated to this Policy are non-guaranteed and we will decide the level of bonus to be declared each year as approved by the Board of Directors, taking into account the written recommendation from the Appointed Actuary.

Reversionary Bonus

This is an annual non-guaranteed bonus that will be added to your Policy Benefit(s) from the end of the first Policy Year. Once the Reversionary Bonus is declared and allocated, it will form part of the guaranteed Benefit(s) of this Policy and will be provided for regardless of the performance of the Participating Fund. The accumulated Reversionary Bonus will be payable upon Death/Terminal Illness/Total and Permanent Disability claims or maturity of this Policy.

You may also withdraw the accumulated Reversionary Bonus for its cash value, which is less than its full amount. The cash value of the accumulated Reversionary Bonus is determined by us. After the withdrawal, your Policy continues to be in force with zero accumulated Reversionary Bonus, which may increase as future Reversionary Bonuses are declared and added to this Policy.

Based on illustrated investment rate of return of 4.25% per annum, the Reversionary Bonus rate is $10.00 per $1,000 Sum Assured, compounding at 1.0% per annum throughout the policy term. In comparison, at an illustrated investment rate of return of 3.00% per annum, the bonus rates (or cash dividends) are expected to be adjusted downwards depending on the future outlook of the Participating Fund.

Terminal Bonus

This is an additional non-guaranteed bonus that may be payable when this Policy terminates due to a claim, surrender or maturity. It is non-guaranteed and does not add to the guaranteed Benefit(s) of this Policy.

The Terminal Bonus is expressed as a percentage of the accumulated Reversionary Bonus.

End of Policy Year	Terminal Bonus (As a Percentage of Accumulated Reversionary Bonus)	
	Applicable for Claims / Maturity	Applicable for Surrender
1 to 4	0%	0%
5	130%	30%
6	130%	40%
7	130%	50%
8	130%	60%
9	130%	70%
10 to 14	130%	80%
15 to 19	130%	100%
20 to 24	130%	110%
25 to 29	130%	120%
30 onwards	130%	130%

Please note that the above Terminal Bonus rates are applicable for the illustrated investment rate of return of 4.25% per annum. In comparison, at an illustrated investment rate of return of 3.00% per annum, the bonus rates (or cash dividends) are expected to be adjusted downwards depending on the future outlook of the Participating Fund.

Future bonuses which have yet to be allocated to this Policy are non-guaranteed and we will decide the level of bonus to be declared each year as approved by the board of directors, taking into account the written recommendation from the Appointed Actuary.

Please refer to the policy illustration for the bonus amount at the illustrated investment rate of return of 3.00% per annum and 4.25% per annum respectively. The two rates are used purely for illustrative purposes and do not represent upper and lower limits of the investment performance of the Participating Fund.

4. Surrender Value

A Surrender Value is available after the beginning of the third Policy Year. You may surrender your Policy and we will pay you the Surrender Value under the Policy:

(a) guaranteed cash surrender value;
(b) cash value of any accumulated Reversionary Bonus;
(c) cash value of any Terminal Bonus; and

less any amount owing to us.

Upon payment of the Surrender Value, the Policy will automatically terminate.
Please refer to the Policy Illustration for the illustrated amount of guaranteed and non-guaranteed surrender value in each Policy Year. The guaranteed surrender value will be paid out regardless of the performance of the Fund.

5. Investment of Assets

Investment Objectives and Strategy

The investment objectives of the Fund are:

(a) to achieve an investment return sufficient to meet the guaranteed benefits as they fall due; and
(b) to provide for smoothed returns to you in the medium to long term.

The investment mandate is to allocate a substantial portion of the investments into fixed income assets like government and corporate bonds and a smaller percentage into growth assets like equities and private equities.

Investment Mix

The Target Mix for the year 2025 and the Actual Mix of the Participating Fund as at 31 Dec 2024 are as follows:

Investment Mix	**HSBC Par Fund II (SGD)**	
Asset Mix (SGD)	**Target Mix**	**Actual Mix**
Growth Assets (e.g. Equities, Private Equities)	33%	31%
Bonds & Alternative Credit Strategies	67%	69%
Cash & Others	0%	0%

Fund Managers

The assets of the Fund are predominantly managed by HSBC Asset Management through its Singapore entity HSBC Global Asset Management (Singapore) Limited. Other specialized strategies are managed by HSBC Alternative Investments Limited and HSBC Asset Management (UK) Limited. The details of the fund managers can be found below:

HSBC Global Asset Management (Singapore) Limited
10 Marina Boulevard Marina Bay Financial Centre Tower 2 Level 48 Singapore 018983

HSBC Alternative Investments Limited (HAIL)
8 Canada Square, Canary Wharf, London, E14 5HQ

HSBC Asset Management (UK) Limited (AMEU)
8 Canada Square, Canary Wharf, London, E14 5HQ

Total Expense Ratio

The Total Expense Ratio is the proportion of total expenses incurred by the Fund to the assets of the Fund. These expenses include costs such as investment, management, distribution, taxation and other expenses.

An expected level of expenses to be incurred by the Fund has been allowed for in the premiums payable for your policy and is not an additional cost to you. If the actual level of expenses varies significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

For HSBC Par Fund II (SGD), the past Total Expense Ratios are shown below.

Total Expense Ratio (SGD)	
Financial Year	**Total Expense Ratio**[1]
2022	1.88%
2023	2.39%
2024	1.39%
Average of last 3 years	1.88%
Average of last 5 years	2.20%
Average of last 10 years	4.43%

[1] Please note that past expense ratios may not be indicative of actual expenses that may be incurred in the future.

Investment Rate of Return

For HSBC Par Fund II (SGD), the past investment rates of return (after deducting investment expenses only) are shown below.

Investment Rate of Return (SGD)	
Financial Year	**Investment Rate of Return**[2]
2022	-14.07%
2023	3.99%
2024	3.81%
Average of last 3 years	-2.47%
Average of last 5 years	-1.06%
Average of last 10 years	1.98%

[2] HSBC's financial year is the 12-month period from 1 January to 31 December. Please note that past performance may not be indicative of future performance. Changes in the economic and investment environment may affect the investment performance of the Fund and the bonuses or dividends that you may receive.

6. Types of Risks Affecting the Level of Bonuses

The Fund is exposed to the following risks which affects performance:

(a) Financial Risk: Risks arising from transactions in financial instruments held by the Fund including market risk, credit risk, reinsurance counterparty risk.

(b) Insurance Risk: Includes mortality, morbidity, expense, lapse and surrender risks.

We would determine the level of bonuses taking into account the current performance as well as future outlook for the Fund.

7. Sharing of Risks

The value of assets backing participating products is determined by the asset share methodology. The asset share represents the assets that 'belong' to, or have been generated by, each Policyholder or class of Policyholders. It is like a 'bank account' where all associated cash flows of a participating Policy have been placed.

Risk is shared between policies participating in the Fund on the basis of fairness and equity to all Policyholders. Where any risk is closely associated with a specific generation of policies, the policies may have to bear the risks. The extent of risk sharing for the key risks is as follows:

(a) Investment Risks

Investment risks are aggregated at Fund level. However, different assets are notionally matched against regular premium policies compared with single premium policies, since they exhibit distinct features especially with regard to duration.

(b) Expense Risks

Expenses that are apportioned to the Fund are shared at a Policy level based on the expected valuation expenses. Any expense overruns/underruns are then shared in proportion to the valuation expense assumptions attributed to each Policy.

(c) Mortality, Dread Disease and other Morbidity Risks

Mortality, dread disease and other morbidity risks are shared at product level, and risk is spread over different generations of Policyholders. This is done by adjusting the mortality/morbidity projections used for bonus determination each year based on the experience of the product/ Fund. Any variance experienced around this projection is shared at the Fund level.

(d) Lapse and Surrender Risks

Lapse and surrender profits/losses are shared at Fund level and spread across product classes.

(e) Utilization Rate of Flexibility Offered

The experience of the utilization rate of flexibilities offered to you (for example, the Payout Option) will be shared within the pool of Policyholders.

8. Smoothing of Bonuses

We aim to provide stable returns over the life of your participating policy by adopting a concept known as "smoothing" which is a common industry practice. When considering suitable bonus rates (both Reversionary Bonus and Terminal Bonus), we will try to avoid large year-on-year changes by considering average performance over a period longer than one year so as to minimize the effect of short-term fluctuations in asset values. For example, if the performance of the Fund is particularly good in one year, we may hold back a portion of the earnings so that we can maintain bonuses in years when the Fund does not perform so well. It is intended that over the long term, the net impact of smoothing is neutral and there will be no impact on guaranteed benefits as a result of smoothing.

<u>Past Bonuses</u>

HSBC's financial year is the 12-month period between 1 January and 31 December.There are no historical reversionary bonus and terminal bonus as this product was launched in 2024.

Please also take note that past performance is not necessarily indicative of future performance and that future Reversionary Bonus and Terminal Bonus not yet declared and allocated are not guaranteed.

9. Fees and Charges

Expenses incurred and allocated to the Fund include:

(a) Management Expenses (e.g. rental, utilities, salaries etc.),
(b) Distribution Expenses (e.g. commissions, agency/ distribution related expenses); and
(c) Investment Expenses (e.g. investment management fees payable to fund managers).

These fees and charges have been included in the calculation of the premium and will **not** be separately charged to you.

10. Conflict of Interest

There is no conflict of interests in relation to the Fund and its management.

11. Related Party Transactions

All transactions between HSBC and HSBC-related parties are evaluated and approved by an internal committee to ensure that the services are conducted at arm's length. These services include fund management and custodian services and the transactions are not expected to have a significant impact on the Fund.

12. Exclusions

There are certain conditions whereby the benefits under this plan will not be payable. These are stated as exclusions in the policy contract. You are advised to read the policy contract for the full list of exclusions.

We will terminate this Policy and will not pay any Benefits if the Life Assured, whether sane or insane, dies by suicide within one year from the Date of Issue of this Policy or the most recent date of Reinstatement, or the effective date of any Increase in Sum Assured, whichever is later.

If such an event occurs, We will refund the total Premiums paid (without interest) from the Commencement Date, or if this Policy has been reinstated, the total Premium(s) paid (without interest) from the date of Reinstatement.

We do not pay the Accidental Death Benefit if the Life Assured's death occurs directly or indirectly as a result of:

(a) acts of war and terrorism;
(b) riot, strike or civil commotion except as victims;
(c) participation in activities of armed forces, military or police;
(d) engaging in illegal or criminal acts;
(e) hazardous pursuits such as sky diving, diving, motorcar racing, parachuting and others;
(f) injuries sustained as a passenger in a non-commercial aircraft, commercial aircraft not undertaking scheduled regular public transportation service or helicopter;
(g) under the influence, misuse or abuse of alcohol, drugs or illegal substance not prescribed by a Registered Medical Practitioner;
(h) pregnancy, childbirth or related complications and/or any medically assisted conception;
(i) sickness except infection of wound or injury from an Accident;
(j) suicide or attempted suicide;

(k) the claim arises directly or indirectly from HIV infection, AIDS or a sexually transmitted disease; or
(l) any medical condition or participation in any activity excluded in this Policy.

We do not pay the TPD Benefit if the TPD (whether directly or indirectly):

(a) arises from a Pre-existing Condition as at the Date of Issue or the most recent date of Reinstatement, whichever is the later;
(b) has existed for less than six consecutive months;
(c) any injury or illness caused directly or indirectly, by self-destruction, intentional self-inflicted injury, attempted suicide, whether the Life Assured is sane or insane;
(d) was due to any airborne activity other than travelling as a passenger or crew member on board a licensed international airline on a regular scheduled commercial route;
(e) acts of war and terrorism arising as a result of or in connection with the Life Assured's collaboration, participation or provocation of such act;
(f) a civil or non-civil war, an insurrection, a riot, an attack, a commotion except as a victim;
(g) military, police, air or naval service in time of declared or undeclared war or while under orders for warlike operations or restoration of public order except while performing peacetime National Service or Reservist duties;
(h) engaging in illegal or criminal acts;
(i) arises from an activity or medical condition specifically excluded by us and endorsed in the Policy; or
(j) was due to mental disorder, depression, breakdown of nervous system.

We do not pay the TI Benefit in the presence of HIV infection.

13. Assignment

Subject to our approval, you may transfer your legal right under the Policy to another party through an assignment. You must notify us of the Assignment by completing our Assignment form and returning the signed original form to us.

You may assign your ownership rights under your Policy as the Policyholder (borrower) to an assignee (lender), in exchange for granting of credit facilities. The borrower retains possession of the Policy, with the understanding that the use or disposition of the Policy must be managed with the consent and approval of the lender.

14. Termination

This Policy terminates on the earliest occurrence of:

(a) the Policy Expiry Date;
(b) full payment of the Death Benefit;
(c) full payment of the Maturity Benefit;
(d) upon full Surrender of the Policy;
(e) when the Benefits are paid in full, unless otherwise stated. This includes any payment triggered by Additional Benefits;
(f) no Premium is received from you after the Grace Period;
(g) the Policy being rendered void;
(h) the cancellation of the Policy during the Free-Look Period or any other time;
(i) our acceptance of your application to terminate your Policy; or
any other event which results in termination as set out in this Policy.

15. Free-Look Period

You have a 14-day free-look period ("Free-Look Period") starting from the date you receive the Policy. If the Policy is delivered by post or email, it is considered received 7 days after the date of posting or the date the email is sent. If you decide to cancel this Policy, you must write to us and return the Policy documents within the Free Look Period. We will refund the Premium paid less any medical fees and other expenses such as payments for medical check-ups and medical reports incurred in processing your Application.

16. Keeping Track of Your Policy

a) Year End Statement

You will receive annual Policy statement as at 31st December at the beginning of each calendar year.

b) Annual Bonus Update

An Annual Bonus Update will be sent to you by June of each calendar year to update you on (i) the performance of the Fund your Policy has participated in over the previous accounting period; and (ii) the bonuses allocated to your Policy for the year.

The update will also highlight the future outlook of the Fund your Policy has participated in based on the latest actuarial investigation as well as any anticipated changes in future bonuses.

c) Guide to Participating Policies

The industry guide on participating policies is available on the Life Insurance Association, Singapore (LIA) web-site (www.lia.org.sg) as well as hardcopies from our authorized distributors on request.

d) Other Important Notes

- In order to provide the Benefits, we may review and supplement or amend certain clauses of your Policy. These include amendments to Premiums, if applicable.

  We may make changes to the Policy if it is reasonably necessary to:

  (i) give effect to:
    (a) applicable laws, rules, regulations; or
    (b) a change, recommendation, order, requirement, notice, direction, code, circular or guidance issued by any regulatory, supervisory, governmental, statutory authority, industry association, self-regulatory, or resolution body having jurisdiction over us or a court of competent jurisdiction; or
  (ii) reflect changes to or alignment with:
    (a) the operational costs, business operations or practices, systems and processes;
    (b) the industry or prevailing market conditions or practices;
    (c) our agreement or arrangement with third-party service providers; or
    (d) overall claims and lapse experience of this plan.

  To the extent reasonably practicable, we will provide you at least 30 days' advance notice in writing before such change takes effect, unless otherwise stated.

  If you do not agree with a change, you may, to the extent applicable:
  (i) terminate the Policy; or
  (ii) change the coverage of your Policy.

- This Policy is protected under the Policy Owner's Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your Policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact Us or visit the LIA or SDIC web-sites (www.lia.org.sg or www.sdic.org.sg).