HSBC Life Wealth Builder
Product Summary

Details of Plan Provider
HSBC Life (Singapore) Pte. Ltd. (“HSBC”, “We”, “Our”, “Us”) (Reg. No. 199903512M) is the plan provider and underwriter for this plan. This plan 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 finally issued to you. Please also refer to the Policy General Provisions for details on contractual provisions and definitions of terms used in this document. Terms not otherwise defined in this document shall bear the meanings ascribed to them in the Policy General Provisions. Only terms in your Policy General Provisions are binding between us. A sample copy of the Policy General Provisions is available upon request. In this Product Summary, reference to “Age” means the Life Insured’s age next birthday and the illustration is based on Singapore dollars.

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 and 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.

IMPORTANT EXCLUSIONS TO NOTE

No Benefits shall be payable under the Policy if the Life Insured commits suicide within one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is the latest.

We will refund the Premium(s) you have paid without interest less any medical and/or underwriting expenses incurred in accepting your application and any amount owing to us.

Nature and Objective of the Plan

HSBC Life Wealth Builder is a limited premium participating endowment plan that provides some insurance protection against death or terminal illness and pays a maturity benefit at Age 120 of the original Life Insured. You may choose to pay your premiums as a single premium payment, or for a limited premium term of 5, 10 or 15 years. Premiums for the basic plan are guaranteed throughout the selected premium term.

Other than insurance protection against death and Terminal Illness (TI), we will waive future premiums on the basic plan if you suffer from Total and Permanent Disability ("TPD"). This is not applicable if you choose single premium payment.

This plan allows you to participate in the profits of the Participating Fund ("**Fund**") through non-guaranteed bonuses (reversionary bonus and terminal bonus) that may be declared and allocated from time to time. Your Policy will continue to accumulate with non-guaranteed bonuses up to maturity at Age 120 of the original Life Insured.

Under this plan, you may choose to withdraw cash values or allow the Policy values to grow for lump sum payout at maturity. This plan also offers the following options:

(i) to appoint a Secondary Life Insured up to a total of 3 times during the Policy Term to allow the policy coverage and benefits to continue when the Life Insured dies; and

(ii) to extend premium payments for 1 year without the Policy lapsing. This option may be exercised up to a maximum of 2 times depending on premium term selected.

Under this plan, the Sum Insured is only used to determine bonus amount for the Policy and it is not used to determine Death Benefit or TI Benefit. Sum Insured refers to the amount of the total Basic Premiums paid on an annual frequency as determined on the Issue Date.

You may choose to add a supplementary benefit to protect against major cancers by providing a health declaration and paying additional premiums. Refer to the Major Cancer Premium Waiver rider product summary for terms and conditions.

This plan is suitable for those with wealth accumulation needs or planning for wealth transfer to dependents.

This plan is **not** suitable for those with an investment horizon of less than 15 years or those looking for pure insurance cover.

Benefits under the Plan

1. **Access to Cash Value**
   While the Policy is in force and whenever Cash Value is available, you will have access to the Cash Value in the following ways:

   (a) Bonus withdrawal
   You may choose to withdraw the accumulated reversionary bonus for its cash values either partially or in full. Please note that any withdrawal of the bonus may reduce the Policy's future Cash Value and Death Benefit.

   (b) Surrender the Policy
   You may choose to surrender the Policy either partially or in full. Partial surrender of the Policy will reduce the Sum Insured, future Cash Value and Death Benefit. However, the same premium payment amount applies after the partial surrender.

   Policy will be terminated upon full surrender.

2. Death and Terminal Illness (TI) Benefits

While the Policy is in force and when the Life Insured dies or is diagnosed with TI, the Benefit payable is the higher of:

(i) 105% of the total Basic Premiums paid; and
(ii) 101% of the Cash Value.

less any unpaid Premium(s) and any amount owing to us. The Death Benefit will be reduced in the event of any bonus withdrawal or partial surrender.

The total Basic Premiums paid is calculated based on Premiums paid for the Basic Cover only and excludes any additional premiums paid for supplementary benefits (if any).

Definition
TI means "any condition caused by illness or injury, where at the time of claim, despite all reasonable medical treatment, the Life Insured 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 Insured 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. TI in the presence of Human Immunodeficiency Virus (HIV) infection is excluded.

TI Limit
The maximum TI benefit payable is capped at an aggregate of SGD 3 Million per Life Insured. In the event the TI Benefit is greater than SGD 3 Million, the difference between the Terminal Illness Benefit and SGD 3 Million will be payable upon death of the Life Insured.

The Policy terminates upon full payment of Death or TI Benefit.

3. Total and Permanent Disability (TPD) Waiver of Premium Benefit

(Not applicable to Single Premium policies)

While the Policy is in force, and if any Policyowner(s) suffers TPD before age 70, all future Premiums (including the premiums for any attaching supplementary benefits, if any) will be waived.

TPD means any one of the situations as set out in **Appendix A**.

This benefit terminates once (i) a claim is admitted on this benefit, (ii) any of the Policyowner(s) reaches age 70 or (iii) there are no future Premiums or Premium Instalments due, whichever is the earliest.

When there is a change of Policyowner(s), this benefit will cover the new Policyowner(s).

4. Premium Freeze Option (Optional)

(Not applicable to Single Premium policies)

During the Premium Term and provided that the first 2 annual premium payments have been made in full, you may request to stop paying Premiums for one year ("Premium Freeze Period") starting from the Policy Anniversary falling immediately after the request is accepted. The written request in our prescribed form must reach us latest by the expiry of the Grace Period.

This option may be exercised:

- once if your Premium Term is 5 years; and
- a maximum of 2 times if your Premium Terms is 10 or 15 years. A separate written requests will need to be submitted each time you wish to exercise this option. We will not accept the request for this option to apply for 2 consecutive years in one application. A minimum of one year between the 2 requests is required.

During the Premium Freeze Period:
(i) the Policy remains in-force;
(ii) the original Premium Term (regardless of the selected premium payment frequency) will be extended by 1 year;
(iii) the Cash Value will be frozen during the Premium Freeze Period;
(iv) the benefit end date for TPD Waiver of Premium Benefit and other supplementary benefits that will waive the premiums (if any), will be extended by a period of 1 year;
(v) no interest will be charged on Premiums due;
(vi) no changes will be made to the original Policy Term or the Expiry Date; and
(vii) we will not accept payment of Premiums or any request to cancel Premium Freeze or this Policy.

Any successful claim or request for surrender during the Premium Freeze Period will be based on the Benefit or Cash Value on the date the Premium Freeze Period commences and the claim or surrender amount payable will be reduced by any partial surrender or bonus withdrawal amount. We will not deduct the deferred Premium from the amount payable.

The Policy will not be eligible for a) any non-guaranteed reversionary bonus in respect of the Basic Cover that is payable on the Policy Anniversary immediately after the Premium Freeze Period; and b) any non-guaranteed reversionary bonus in respect of the accumulated reversionary bonus(es) already declared and allocated during the Premium Freeze Period.

At the end of the Premium Freeze Period, you will resume paying the Premium. Computation of the Cash Value will resume based on the value as at the day before the Premium Freeze Period commenced unless any partial surrender has been made or non-guaranteed bonus which forms part of the Cash Value has been reduced during the Premium Freeze Period, in which case the Cash Value at the end of the Premium Freeze Period may also be reduced accordingly.

5. Joint Policyownership (Optional)
(not applicable to policies purchased through SRS)

You may apply for this Policy jointly with your spouse. Only one of the joint Policyowners can be the Life Insured; this will be determined on the Issue Date and cannot be changed. All policy transactions or administrative requests need to be jointly submitted.

Joint Policyownership will be on a joint tenancy basis. Where your Policy is jointly-owned, if one of the Policyowners dies, the Policy will continue with the surviving Policyowner. If both Policyowners die at the same time, the ownership of the Policy will vest in the estate of the younger of the 2 Policyowners.

The appointment of a Secondary Life Insured is allowed under a jointly-owned Policy. Joint Policyownership is not allowed if a beneficiary under the Policy has been nominated, a trust has been created under the Policy or for policies purchased through SRS.

6. Secondary Life Insured (SLI) (Optional)
While the Policy is in force, a SLI can be appointed to ensure the continuity of the Policy when the Life Insured dies or upon the diagnosis of Terminal Illness of the Life Insured. The Policy allows a maximum of one Life Insured and one SLI at any material time.

If you are the Policyowner, the Life Insured will be yourself, your spouse or your child who is under the age of 18. You can appoint a SLI who can be your spouse (if he/she is not already the Life Insured) or your child who is under the age of 18 (if he/she is not already the Life Insured).

You can appoint, change, or remove a SLI up to a total of 3 times during the Policy Term while the Policy is in-force and Life Insured is still alive. Insurable interest must be established for the appointment of SLI, subject to our acceptance. We may decide to either accept or reject the appointment of the SLI depending on change of circumstances from time to time.

Appointment of SLI is not allowed if a beneficiary under the Policy has been nominated, a trust has been created under the Policy or for policies purchased through SRS.

Upon a change in ownership of this Policy, any existing SLI will be revoked. The new Policyowner(s) may appoint a new SLI if:
(i) insurable interest in the new SLI is established; and
(ii) the new Policyowner(s) provides documentary evidence satisfactory to us showing a spousal or parent-child relationship between the new Policyowner(s) and the original Policyowner(s).

Upon the death or diagnosis of Terminal Illness of the Life Insured, the SLI will become the new Life Insured, subject to our acceptance based on prevailing rules and guidelines. When this happens:
(i) no Death Benefit or Terminal Illness Benefit will be payable;
(ii) the Policy continues until the Policy matures on the Expiry Date;
(iii) any optional rider(s) covering the Life Insured will be terminated;
(iv) there will be no changes to the Premium amount, Premium Term or Policy Term; and
(v) remaining Premiums due will continue to be payable.

If we decide that the SLI shall not become the new Life Insured, then the Death Benefit or Terminal Illness Benefit in respect of the Life Insured will be payable.

If the SLI dies before the Life Insured, no Death Benefit will be payable on the life of the SLI. The policy will continue as if there is no SLI, however you may re-appoint a new SLI subject to the maximum limit of up to 3 times. Refer to the Policy General Provisions for terms and conditions.

You may choose to revoke the appointment of the SLI when the Life Insured dies or is diagnosed with Terminal Illness prior to notifying us of the death or terminal illness diagnosis (as the case may be) of the Life Insured. In this case, the Death or the Terminal Illness Benefit will be paid and the Policy terminates.

7. Maturity Benefit

If the Policy matures at Age 120 of the Life Insured without any claims, the Maturity Benefit will be paid out in lump sum less any amount owing to us. The Policy will terminate when the Maturity Benefit is paid. Please refer to the Policy Illustration for the illustrated amount of the guaranteed and non-guaranteed Maturity Benefit that you may get. The guaranteed Maturity Benefit will be paid out regardless of the performance of the Fund.

8. Surrender Value

The Policy has a Surrender Value from the 1st Policy Year. 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.

9. Bonuses

You may receive Bonus(es) under the Basic Cover consisting of (i) reversionary bonus, and/or (ii) terminal bonus.

The following are not guaranteed and will be solely decided by us upon approval of our board of directors, after taking into account the written recommendation by our appointed actuary.

(i) Reversionary bonus rates;
(ii) Compounding rates for reversionary bonus(es) declared and allocated; and
(iii) Terminal bonus rates,

a) Reversionary Bonus

The Basic Cover participates in the profits of the Fund through non-guaranteed reversionary bonuses which may be declared annually from the end of the 2nd Policy Year onwards. Reversionary bonus may be paid on both the Basic Cover and the accumulated reversionary bonus already declared and allocated.

Assuming an illustrated investment return of 4.25% p.a. on the Fund, the illustrative reversionary bonus rate payable on the Basic Cover is S$3 per S$1,000 Sum Insured and the illustrative reversionary bonus rate payable on reversionary bonus already declared and allocated is 0.3% p.a.

Assuming an illustrated investment return of 3.00% p.a. on the Fund, the illustrative reversionary bonus rate payable on the Basic Cover is S$2.1 per S$1,000 Sum Insured and the illustrative reversionary bonus rate payable on reversionary bonus already declared and allocated is 0.21% p.a.

Once declared and allocated, reversionary bonus forms part of the guaranteed benefits under the Policy regardless of the performance of the Fund. The full value of the declared reversionary bonus will be payable upon death of the Life Insured or maturity of the Policy along with the guaranteed benefits.

b) Terminal Bonus

In addition to the reversionary bonus, we may pay a terminal bonus from the end of the 3rd Policy Year onwards. **Table 2** illustrates the terminal bonus payout based on the illustrated investment return of 4.25% p.a. on the Fund.

Table 2: Terminal Bonus as a Percentage of Reversionary Bonus(es) accumulated

At Illustrated Investment Return of 4.25%									
End of	Premium Term				End of	Premium Term			
Policy Year	Single Premium	5 Pay	10 Pay	15 Pay	Policy Year	Single Premium	5 Pay	10 Pay	15 Pay
1	0%	0%	0%	0%	61	3492%	3085%	2629%	2273%
2	0%	0%	0%	0%	62	3585%	3168%	2697%	2332%
3	150%	60%	90%	90%	63	3705%	3258%	2768%	2393%
4	200%	75%	120%	100%	64	3803%	3360%	2844%	2456%
5	230%	92%	130%	110%	65	3895%	3462%	2918%	2520%
6	350%	117%	190%	139%	66	3999%	3560%	2995%	2586%
7	435%	124%	220%	200%	67	4102%	3655%	3074%	2645%
8	480%	159%	255%	200%	68	4214%	3755%	3155%	2715%
9	510%	215%	255%	200%	69	4327%	3851%	3235%	2787%
10	547%	393%	255%	230%	70	4443%	3956%	3316%	2877%
11	597%	558%	308%	250%	71	4565%	4061%	3399%	2953%
12	656%	564%	374%	350%	72	4690%	4185%	3485%	3028%
13	700%	735%	400%	392%	73	4829%	4312%	3590%	3104%
14	745%	740%	685%	640%	74	4965%	4435%	3685%	3182%
15	789%	750%	700%	650%	75	5100%	4562%	3783%	3263%
16	833%	755%	705%	652%	76	5240%	4715%	3880%	3347%
17	877%	760%	710%	655%	77	5398%	4848%	3980%	3435%
18	921%	770%	725%	658%	78	5547%	4980%	4084%	3540%
19	965%	775%	730%	670%	79	5697%	5130%	4190%	3635%
20	1302%	1190%	965%	830%	80	5850%	5270%	4300%	3735%
21	1322%	1211%	995%	835%	81	6010%	5415%	4420%	3844%
22	1341%	1228%	1008%	835%	82	6178%	5565%	4535%	3949%
23	1361%	1246%	1060%	860%	83	6350%	5720%	4657%	4059%
24	1382%	1266%	1094%	884%	84	6565%	5875%	4780%	4170%
25	1408%	1293%	1150%	968%	85	6745%	6040%	4905%	4280%
26	1432%	1315%	1172%	990%	86	6925%	6208%	5034%	4400%
27	1470%	1338%	1195%	1013%	87	7130%	6381%	5167%	4520%
28	1495%	1368%	1220%	1040%	88	7330%	6576%	5305%	4640%
29	1530%	1405%	1250%	1065%	89	7535%	6756%	5451%	4770%
30	1627%	1515%	1320%	1113%	90	7738%	6950%	5597%	4900%
31	1663%	1495%	1345%	1140%	91	7962%	7140%	5751%	5041%
32	1699%	1529%	1382%	1170%	92	8183%	7340%	5909%	5179%
33	1740%	1564%	1415%	1202%	93	8415%	7555%	6068%	5318%
34	1780%	1600%	1450%	1232%	94	8648%	7772%	6230%	5463%
35	1821%	1639%	1475%	1262%	95	8897%	7989%	6398%	5610%
36	1865%	1697%	1505%	1297%	96	9146%	8218%	6570%	5761%
37	1918%	1747%	1535%	1329%	97	9406%	8458%	6745%	5916%
38	1970%	1799%	1573%	1361%	98	9678%	8710%	6930%	6080%
39	2020%	1842%	1604%	1395%	99	9940%	8950%	7125%	6242%
40	2110%	1905%	1648%	1405%	100	10233%	9200%	7322%	6410%
41	2160%	1945%	1681%	1441%	101	10528%	9505%	7520%	6584%
42	2214%	1988%	1716%	1470%	102	10828%	9790%	7725%	6766%
43	2271%	2038%	1752%	1485%	103	11139%	10075%	7939%	6952%
44	2333%	2090%	1790%	1517%	104	11454%	10350%	8164%	7142%
45	2386%	2150%	1830%	1553%	105	11780%	10635%	8385%	7344%

At Illustrated Investment Return of 4.25%									
End of	Premium Term				End of	Premium Term			
Policy Year	Single Premium	5 Pay	10 Pay	15 Pay	Policy Year	Single Premium	5 Pay	10 Pay	15 Pay
46	2453%	2205%	1870%	1590%	106	12125%	10940%	8610%	7539%
47	2507%	2254%	1912%	1628%	107	12492%	11252%	8857%	7744%
48	2565%	2304%	1955%	1665%	108	12889%	11598%	9125%	7959%
49	2609%	2355%	2008%	1703%	109	13265%	11919%	9390%	8183%
50	2680%	2397%	2055%	1758%	110	13665%	12285%	9665%	8410%
51	2723%	2418%	2097%	1800%	111	14059%	12643%	9968%	8644%
52	2781%	2460%	2141%	1840%	112	14492%	13007%	10246%	8880%
53	2849%	2515%	2188%	1878%	113	14908%	13410%	10541%	9122%
54	2926%	2578%	2242%	1919%	114	15374%	13800%	10836%	9370%
55	2988%	2644%	2292%	1962%	115	15839%	14180%	11133%	9631%
56	3066%	2712%	2343%	2010%	116	16351%	14603%	11445%	9898%
57	3150%	2783%	2397%	2055%	117	16856%	15034%	11780%	10180%
58	3226%	2855%	2452%	2103%	118	17363%	15493%	12144%	10490%
59	3315%	2910%	2509%	2155%	119	17880%	15954%	12507%	10804%
60	3396%	2999%	2563%	2213%					

In comparison, at an illustrated Investment Rate of Return of 3.00% per annum, the terminal bonus rates are expected to be adjusted downwards depending on the future outlook of the Participating Fund.

Please refer to the Policy Illustration for the terminal 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.

The projected reversionary and terminal bonuses can be found in the Policy Illustration. The actual reversionary and terminal bonuses declared may be different from the amounts shown in the Policy Illustration.

Investment of Assets

1. Investment Objectives and Strategy

The investment objectives of the Fund are:

(i) to achieve an investment return sufficient to meet the guaranteed benefits as they fall due; and
(ii) 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.

2. 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:

Table 3: Investment Mix	HSBC Par Fund I (SGD)	
Asset Mix	Target Mix	Actual Mix
Growth Assets (e.g. Equities, Private Equities)	35%	35%
Bonds & Alternative Credit Strategies	65%	65%
Cash & Others	0%	0%

3. 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:

<u>HSBC Global Asset Management (Singapore) Limited</u>
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 vary significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

For HSBC Par Fund I (SGD), the past Total Expense Ratios are shown in Table 4 below.

Table 4: Total Expense Ratio	
Financial Year	Total Expense Ratio[1]
2022	1.07%
2023	2.01%
2024	1.74%
Average of last 3 years	1.61%
Average of last 5 years	2.24%
Average of last 10 years	1.95%

[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 I (SGD), the past investment rates of return (after deducting investment expenses only) are shown in Table 5 below.

Table 5: Investment Rate of Return	
Financial Year	Investment Rate of Return[2]
2022	-14.34%
2023	6.59%
2024	4.63%
Average of last 3 years	-1.51%
Average of last 5 years	1.20%
Average of last 10 years	2.62%

[2] HSBC's financial year is the 12 month period from 01 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.

Type of Risks Affecting the Level of Bonuses

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

(1) Financial Risk	Risks arising from transactions in financial instruments held by the Fund including market risk, credit risk, reinsurance counterparty risk.
(2) 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.

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 Policyowner or class of Policyowners. 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 Policyowners. 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:

1. **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.

2. **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.

3. **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 Policyowners. 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.

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

5. **Utilization Rate of Flexibility Offered**
   The experience of the utilization rate of flexibilities offered to you (for example Premium Freeze and Secondary Life Insured) will be shared within the pool of Policyowners of this product.

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 and terminal bonuses), 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.

Past Bonuses
The table below shows the reversionary bonus rate payable on the Basic Cover and the reversionary bonus already declared for 2023 and 2024.

Financial Year	Basic Cover	Reversionary Bonus already declared
2023	S$3 per S$1,000	0.3%
2024	S$3 per S$1,000	0.3%

HSBC's financial year is the 12-month period between 01 January and 31 December. There are no historical reversionary bonus and terminal bonus prior to 2023 as this product was launched in September 2021.

Please also take note that past performance is not necessarily indicative of future performance and that future reversionary and terminal bonuses not yet declared and allocated are not guaranteed.

Fees and charges

Expenses incurred and allocated to the Fund include:

(i) Management Expenses (e.g. rental, utilities, salaries etc.),
(ii) Distribution Expenses (e.g. commissions, agency/ distribution related expenses); and
(iii) 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 **<u>not</u>** be separately charged to you.

Conflict of Interests

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

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.

Exclusions

(i) For Death and Terminal Illness Benefits

There are certain conditions under which no benefits will be payable. These conditions are stated in the Policy General Provisions.

No Benefits will be paid under the Policy if:

(a) the Life Insured commits suicide within one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is latest; or
(b) the diagnosis of Terminal Illness is in the presence of Acquired Immunodeficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV) infection.

(ii) For TPD Waiver of Premium Benefit

We will not waive the Premiums if the TPD sustained by any of the Policyowners is in any way caused or contributed by the following events:

(a) any self-inflicted injury or attempt at suicide, regardless of that Policyowner’s mental condition;
(b) that Policyowner (being under the influence of any narcotic, alcohol, gas or fumes, voluntarily taken, administered, absorbed or inhaled or drugs not prescribed by a Doctor;
(c) war (declared or undeclared), terrorism or any sort of internal or foreign hostilities; or
(d) air travel, other than as a fare-paying passenger or a crew member on a licensed commercial aircraft, or as a member of the armed forces travelling as a passenger in a military transport aircraft at that time.

You are advised to read the Policy General Provisions for the full list of terms and conditions.

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.

Termination

The Policy will terminate upon the occurrence of the earliest of the following:

(i) the full payment of Death Benefit;
(ii) the full surrender of this Policy;
(iii) the full payment of Maturity Benefit on the Expiry Date;
(iv) when the Benefits are payable in full, unless otherwise stated. This includes any payment triggered by supplementary benefits (if any);
(v) when a claim under any other supplementary benefits attached to the Policy, which accelerates the Death Benefit in full, is admitted;
(vi) if it lapses due to non-payment of Premium(s) upon the expiry of the Grace Period;
(vii) the Policy being rendered void;
(viii) any other events which results in termination set out in the Policy General Provisions; and

(ix) the cancellation of the Policy during the Free-Look Period or at any other time.

Free-Look Period
After purchasing a life insurance policy, you have 14-day free-look period - starting from the day you receive your policy documents to - review the documents carefully. During this time, if you choose to cancel your policy, the insurer will refund you the premiums you have paid, less any medical fees and other expenses, such as payments for medical check-ups and medical reports, incurred by the insurer. The 14-day free-look period starts from the date you receive the Policy. If the Policy is delivered by post, it is considered received 7 days after the date of posting.

Keeping Track Of Your Policy

1. **Year End Statement**
   You will receive annual Policy statement as at 31st December at the beginning of each calendar year.

2. **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.

3. **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.

4. **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.

   - The Policy is protected under the Policy Owner's Protection Scheme which is administrated by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your Policy is automatic and no future 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 HSBC Life or visit the LIA or SDIC web-sites (www.lia.org.sg or www.sdic.org.sg).

Appendix A: Definitions of Total and Permanent Disability covered under TPD Waiver of Premium Benefit

Age	Definition
at least age 17 but below age 65	(i) You had been, for a minimum period of 6 consecutive months, continuously unable to engage in any occupation, business, work or profession whatsoever (whether his usual or otherwise) for income, profit, compensation, wages, or remuneration. This inability to engage in any occupation, business, work or profession whatsoever (whether his usual or otherwise) for income, profit, compensation, wages, or remuneration is expected to be continuous and permanent and must result from an Accident, illness or disease; or (ii) As a result of Accident, illness or disease, you become totally and permanently unable to perform at least 3 out of 6 Activities of Daily Living even with the aid of special equipment, and always require physical assistance of another person throughout the entire activity for a continuous period of at least 6 months. (iii) You suffer total and permanent: (a) loss of sight in both eyes; (b) loss of use of 2 limbs; or (c) loss of sight in one eye and loss of use of one limb. where “Loss of use” means total, continuous and permanent functional loss of a limb, which has lasted for at least 6 months.
at least age 65 but below age 70	(ii) As a result of Accident, illness or disease, you become totally and permanently unable to perform at least 3 out of 6 Activities of Daily Living even with the aid of special equipment, and always require physical assistance of another person throughout the entire activity for a continuous period of at least 6 months. (iii) You suffers total and permanent: (a) loss of sight in both eyes; (b) loss of use of 2 limbs; or (c) loss of sight in one eye and loss of use of one limb. where “Loss of use” means total, continuous and permanent functional loss of a limb, which has lasted for at least 6 months.

For the purpose of the definitions above, “Activities of Daily Living” shall mean:

(i) **Washing** - The ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means;
(ii) **Dressing** - The ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances;
(iii) **Transferring** - The ability to move from a bed to an upright chair or wheelchair and vice versa;
(iv) **Mobility** - The ability to move indoors from room to room on level surfaces;
(v) **Toileting** - The ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene; and
(vi) **Feeding** - The ability to feed oneself once food has been prepared and made available.

For the purpose of the definitions above:

- “Aid” shall mean with the aid of special equipment, device and/or apparatus and not pertaining to human aid.
- ”You” or “yours” means the Policyowner. For a Policy that is jointly-owned, it refers to any one of the Policyowners.