HSBC Life

HSBC Life Sapphire Prestige Income II
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 and other contractual documents ("Policy Contract") finally issued to you. Please also refer to the Policy Contract 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 Contract. Only terms in your Policy Contract 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 (SGD) or United States dollars (USD), depending on the Policy Currency you have chosen.

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:
(i) the Life Insured commits suicide within one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any); or
(ii) the Life Insured dies from **Pre-Existing Condition** within one year from the Issue Date, the Commencement Date or the last Reinstatement Date (if any), whichever is the latest.

Pre-Existing Condition is defined as any medical condition or illness:
(i) for which treatment, medication, advice, or diagnosis was sought or received;
(ii) for which any medical investigations were undertaken by the Life Insured and/or
(iii) which presented any signs or symptoms that would have caused a reasonably prudent person to seek treatment, medication, diagnosis or advice,
in each case prior to the Issue Date, the Commencement Date or the last Reinstatement Date of the Policy, whichever is the latest.

We will refund the Premium 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

(i) HSBC Life Sapphire Prestige Income II is a participating whole life plan that provides monthly cash payouts starting from the Cash Payout Period up to Age 120 of the original Life Insured. A Maturity Benefit will be paid at the end of the Policy Term. You may choose to pay your premium in one lump sum (single premium), or for a limited premium term of 3 years. Premiums for the basic plan are guaranteed throughout the selected premium term.

The Basic Cover allows the Policyowner to participate in the profits of the participating fund (the "**Fund**") through non-guaranteed bonuses (Monthly Cash Bonus and Terminal Bonus) that may be declared and allocated from time to time.

Under this plan, the Basic Cover Sum Insured is a notional value and **is not used** to determine Death or TI Benefit.

The plan provides coverage against death and terminal illness.

(ii) This product is available in SGD and USD.

(iii) This plan is suitable for those with retirement, wealth accumulation or legacy needs.

(iv) This plan is **not** suitable for those looking for pure insurance cover with no savings component, or customers seeking short term returns.

Aggregation Limit
The aggregate premiums payable for this policy and other policies issued by HSBC Life with no requirement for evidence of good health is capped at an aggregate of SGD10 million per Life Insured. The calculation is based on the total committed premiums of the product (e.g. 3 x Annual Premium for a 3-year premium term, or full Single Premium for a Single Premium plan). USD denominated policies will be aggregated after applying an exchange rate of US$1 to S$1.35 on the premiums payable. We reserve the right to review / vary this rate.

Benefits under the Plan

1. Regular Income
Where the Policy continues to be in force during the Cash Payout Period, we will pay you a Regular Income (comprises the Guaranteed Monthly Payout and / or non-guaranteed Monthly Cash Bonus) on each Payout Date, in accordance with the terms of the Policy, less any amount owing to us.

The Regular Income comprises the following:

(i) Guaranteed Monthly Payout
   (a) It is expressed as a percentage (refer to Tables 1 and 2 for SGD and USD respectively) of the Sum Insured of the Basic Cover.
   (b) It is equal to the relevant percentage per annum, based on the Age of the Life Insured at Commencement Date, multiplied by the Sum Insured of the Basic Cover and then dividing the derived value into 12 equal installments.
   (c) Once determined, this amount will be paid to you on a monthly basis.
   (d) The Guaranteed Monthly Payout is paid during the Cash Payout Period.

and

(ii) non-guaranteed Monthly Cash Bonus (if any)
   (a) It is expressed as a percentage (refer to Tables 1 and 2 for SGD and USD respectively) of the Sum Insured of the Basic Cover.
   (b) It is equal to the declared rate per annum multiplied by the Sum Insured of the Basic Cover and then dividing the derived value into 12 equal installments.
   (c) Once determined, it will be paid to you on a monthly basis.

The Monthly Cash Bonus is not guaranteed and will vary according to the future experience of the Fund.

The first Payout Date of the Regular Income will vary according to your Premium Term, based on the number of months from the Commencement Date per Tables 1 and 2 below.

Table 1: Regular Income Rate (per annum) Table as a % of the Sum Insured of the Basic Cover for Single Premium										
Regular Income	Guaranteed Monthly Payout		Non-guaranteed Monthly Cash Bonus							
Number of months from the Commencement Date	End of 49th month onwards		End of 13th month to 48th month				End of 49th month onwards			
Entry Age	SGD	USD	SGD		USD		SGD		USD	
			At illustrated investment rate of return (p.a.)							
			3.00%	4.25%	3.75%	5.30%	3.00%	4.25%	3.75%	5.30%
1-65	1.228%	1.706%	0.88%	1.60%	1.01%	1.95%	1.29%	2.35%	1.36%	2.61%
66	1.128%	1.567%								
67	1.117%	1.551%								
68	1.105%	1.535%								
69	1.094%	1.520%								
70	1.084%	1.505%								
71	1.073%	1.490%								
72	1.062%	1.475%								
73	1.051%	1.460%								
74	1.040%	1.445%								
75	1.025%	1.423%								

Table 2: Regular Income Rate (per annum) Table as a % of the Sum Insured of the Basic Cover for Limited Premium 3 Years						
Regular Income	Guaranteed Monthly Payout		Non-guaranteed Monthly Cash Bonus			
Number of months from the Commencement Date	End of 37th month onwards					
Entry Age	SGD	USD	SGD		USD	
			At illustrated investment rate of return (p.a.)			
			3.00%	4.25%	3.75%	5.30%
1-65	0.810%	1.237%	1.39%	2.49%	1.32%	2.58%
66	0.717%	1.230%				
67	0.702%	1.228%				
68	0.696%	1.218%				
69	0.684%	1.209%				
70	0.666%	1.198%				
71	0.650%	1.188%				
72	0.635%	1.175%				

You can use the Regular Income in the following ways:
(i) Receive it as a payout; or
(ii) Deposit with us to earn interest at our prevailing interest rate which is not guaranteed and may change from time to time.

If we do not receive a written request from you, the Regular Income will automatically be paid to you.

Where the Regular Income is deposited with us, you can withdraw the Regular Income accumulated with us at any time.

2. Death and Terminal Illness (TI) Benefits

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

(i) 101% of total Basic Premium paid,
(ii) Terminal Bonus (if any); and
(iii) Accumulated Regular Income and interest (if any)
less any amount owing to us.

<u>*Definition*</u>

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.

<u>TI Limit</u>

The maximum TI Benefit payable is capped at an aggregate of SGD 3 Million (or its equivalent in the Policy Currency) per Life Insured. In the event the TI Benefit is greater than SGD 3 Million (or its equivalent in the Policy Currency), the difference between the TI Benefit and SGD 3 Million (or its equivalent in the Policy Currency) will be payable upon death of the Life Insured.

3. Accidental Death Benefit

While the Policy is in force and before the Life Insured reaches Age 76, if the Life Insured's death is caused by an Accident in the first thirty six (36) months from the Commencement Date or Date of Issue (whichever is later), we will pay the sum of:

(i) 110% of total Basic Premium paid,
(ii) Terminal Bonus (if any); and
(iii) Accumulated Regular Income and interest (if any)
less any amount owing to us.

<u>Definitions</u>

"Accident" means an event caused solely and independently of all other causes and directly by violent, unexpected, external and visible means.

"Accidental Death" means death caused by an Accident.

The Policy terminates upon full payment of the Death Benefit, Accidental Death Benefit or Terminal Illness Benefit.

For the avoidance of doubt, we will pay either the Death Benefit or Accidental Death Benefit, and not both.

4. Change of Life Insured

You may request to change the Life Insured up to 3 times throughout the Policy Term as long as such replacement occurs no earlier than 24 months from the Issue Date.

Change of Life Insured is not allowed for policies purchased through Supplementary Retirement Scheme (SRS).

For a Policy owned by a business organisation or corporation, where the original Life Insured ceases to be employed or otherwise engaged by the Policyowner or any associated corporation or connected business entity, then you may request to replace the Life Insured any time throughout the Policy Term as long as such replacement occurs no earlier than 24 months from the Issue Date.

To request to change the Life Insured, you must use the prescribed application form(s) and meet the requisite conditions.

Our acceptance of any replacement life insured is at our sole and absolute discretion and is subject to the following conditions:

(i) you provide satisfactory evidence of insurable interest between you or the business organisation or corporation (as the case maybe) and the new life insured;
(ii) the change fulfils the requirements for insurable interest as set out under the Insurance Act 1966;
(iii) the new life insured meets our prevailing underwriting requirements; and
(iv) you fulfill such other terms and conditions as we shall determine from time to time.

You cannot change the Life Insured if we have paid a claim for TI previously under this Policy.

Once the change in Life Insured becomes effective:

(i) all optional supplementary benefit(s) covering the original Life Insured will be terminated;
(ii) a new suicide and incontestability period will apply;
(iii) you will receive a revised Policy Schedule reflecting the new life insured's particulars; and
(iv) the cover for the original Life Insured ends and the cover for the new life insured starts on the new Issue Date as shown in the revised Policy Schedule. For the avoidance of doubt, all rights in connection with the original Life Insured will be terminated with immediate effect.

There will be no change to the Premium amount or Policy Term.

If it is not possible to substitute the Life Insured under the Policy due to any applicable law or regulation or other practical constraints, then, subject to our acceptance of the new life insured, we may issue a new policy to you on the life of the substitute life insured and all benefits, privileges and values under the Policy will be terminated. For the avoidance of doubt, the terms of the new policy may not be identical to the terms of the Policy.

We reserve the right to reject any request to change the Life Insured. Where the Policyowner is a corporation and we have rejected the request, we will terminate the Policy and return the Cash Value if the Life Insured ceases to be so employed or otherwise engaged by that corporation.

5. Unemployment Support Benefit
(not applicable to Policies where the Premium is paid in one lump sum, and Policies owned by a business organisation or corporation)

While the Policy is in force and if you are Unemployed for at least 30 consecutive days, upon our acceptance of your Unemployment Support Benefit claim, the Grace Period will be extended and you will be entitled to pay:

(i) the Premium due after the Unemployment Date at any time within the Extended Grace Period of 365 days ("Extended Grace Period"); or
(ii) all Premium Instalments due after the Unemployment Date and payable between the Unemployment Support Benefit Premium Instalment Due Date and the expiry of the Extended Grace Period at any time within the Extended Grace Period.

The Extended Grace Period will apply from the last Premium due date falling immediately before the Unemployment Date, provided it is still within the Grace Period applicable to such Premium due date.

Written notice of a claim must be submitted to us within 45 days of the Unemployment Date.

The Unemployment Support Benefit will automatically terminate:
(i) when the Policy terminates; or
(ii) when you reach the age of 65; or
(iii) when there are no further Premium(s) due,
whichever occurs first.

6. Maturity Benefit

If the Policy matures on the Expiry Date without any death or TI claims, the Maturity Benefit payable to you in one lump sum is the aggregate of:

(i) guaranteed Cash Value;
(ii) any Regular Income deposited and non-guaranteed accumulated interest on the Regular Income (if any); and
(iii) non-guaranteed Terminal Bonus (if any),

less any amount owing to us.

The final Regular Income will be paid together with the Maturity Benefit.

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.

7. Surrender Value

For a single premium Policy, the Policy acquires an immediate Cash Value on the Commencement Date.

For a Policy with limited premium of 3 years, the Policy acquires a cash surrender value from the start of the 3rd Policy Year as long as Premiums are paid up-to-date.

You may request to surrender the Policy for its Cash Value.

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.

Upon a full surrender, your Policy will be terminated and you will no longer receive coverage for the benefits provided under the plan. The surrender value that is payable to you may be zero or less than the total premiums paid.

8. Bonuses

You may receive additional bonus(es) under the Basic Cover consisting of Monthly Cash Bonus, and/or Terminal Bonus.

The following bonuses 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) Monthly Cash Bonus; and
(ii) Terminal Bonus.

(i) Monthly Cash Bonus

The Monthly Cash Bonus is expressed as a percentage of the Sum Insured of the Basic Cover. It is equal to the declared rate per annum multiplied by the Sum Insured of the Basic Cover and then dividing the derived value into 12 equal installments. Once determined, it will be paid to you on a monthly basis, as part of the Regular Income. Once declared, this rate will be effective one month from the next upcoming Policy Anniversary.

Please refer to Tables 1 and 2 above for the Monthly Cash Bonus annual rate for single premium and limited premium 3 years respectively.

(ii) Terminal Bonus

Terminal Bonus is non-guaranteed and is paid only once upon death or TI, surrender or maturity of the Policy and the amount could vary at different Policy Anniversaries. The rate of Terminal Bonus is expressed as a percentage of the Sum Insured of the Basic Cover to be declared each year.

Tables 3 and 4 illustrate the terminal bonus payout based on the illustrated investment returns for Policy Currency in SGD, for single premium and limited premium 3 years respectively.

Table 3: Terminal Bonus as a % of the Sum Insured of the Basic Cover (Policy Currency in SGD) for Single Premium								
End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)	
	3.00%	4.25%		3.00%	4.25%		3.00%	4.25%
1	1.00%	1.00%	41	12.00%	22.00%	81	61.00%	111.00%
2	1.00%	1.00%	42	12.00%	22.00%	82	63.00%	115.00%
3	1.00%	1.00%	43	12.00%	22.00%	83	69.00%	125.00%
4	1.00%	1.00%	44	12.00%	22.00%	84	72.00%	131.00%
5	1.00%	1.00%	45	13.00%	23.00%	85	74.00%	135.00%
6	1.00%	1.00%	46	13.00%	23.00%	86	80.00%	145.00%
7	1.00%	1.00%	47	15.00%	27.00%	87	83.00%	151.00%
8	1.00%	1.00%	48	15.00%	27.00%	88	86.00%	156.00%
9	1.00%	1.00%	49	15.00%	27.00%	89	91.00%	166.00%
10	1.00%	2.00%	50	17.00%	30.00%	90	95.00%	172.00%
11	1.00%	2.00%	51	17.00%	31.00%	91	100.00%	181.00%
12	1.00%	2.00%	52	17.00%	31.00%	92	102.00%	186.00%
13	1.00%	2.00%	53	17.00%	31.00%	93	109.00%	198.00%
14	1.00%	2.00%	54	19.00%	34.00%	94	114.00%	208.00%
15	1.00%	2.00%	55	19.00%	35.00%	95	119.00%	216.00%
16	1.00%	2.00%	56	19.00%	35.00%	96	126.00%	229.00%
17	1.00%	2.00%	57	21.00%	38.00%	97	134.00%	244.00%
18	1.00%	2.00%	58	21.00%	39.00%	98	140.00%	254.00%
19	1.00%	2.00%	59	22.00%	40.00%	99	142.00%	259.00%
20	2.00%	3.00%	60	24.00%	44.00%	100	153.00%	278.00%
21	2.00%	3.00%	61	25.00%	45.00%	101	158.00%	287.00%
22	2.00%	3.00%	62	27.00%	49.00%	102	171.00%	311.00%
23	3.00%	5.00%	63	27.00%	49.00%	103	179.00%	326.00%
24	3.00%	5.00%	64	28.00%	51.00%	104	190.00%	345.00%
25	3.00%	5.00%	65	30.00%	54.00%	105	199.00%	361.00%
26	3.00%	5.00%	66	30.00%	54.00%	106	209.00%	380.00%
27	3.00%	5.00%	67	32.00%	58.00%	107	220.00%	400.00%
28	3.00%	5.00%	68	33.00%	60.00%	108	232.00%	421.00%
29	3.00%	5.00%	69	34.00%	62.00%	109	240.00%	437.00%
30	4.00%	7.00%	70	36.00%	66.00%	110	250.00%	455.00%
31	4.00%	7.00%	71	37.00%	68.00%	111	269.00%	489.00%
32	4.00%	8.00%	72	40.00%	73.00%	112	284.00%	517.00%
33	4.00%	8.00%	73	42.00%	77.00%	113	302.00%	549.00%
34	4.00%	8.00%	74	45.00%	81.00%	114	313.00%	569.00%
35	5.00%	9.00%	75	46.00%	84.00%	115	329.00%	598.00%
36	5.00%	9.00%	76	50.00%	90.00%	116	343.00%	624.00%
37	6.00%	10.00%	77	52.00%	94.00%	117	359.00%	653.00%
38	6.00%	10.00%	78	53.00%	97.00%	118	383.00%	697.00%
39	6.00%	10.00%	79	56.00%	101.00%	119	402.00%	730.00%
40	12.00%	22.00%	80	58.00%	105.00%			

Table 4: Terminal Bonus as a % of the Sum Insured of the Basic Cover (Policy Currency in SGD) for Limited Premium 3 Years								
End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)	
	3.00%	4.25%		3.00%	4.25%		3.00%	4.25%
1	0.00%	0.00%	41	6.00%	12.00%	81	41.00%	73.00%
2	0.00%	0.00%	42	7.00%	13.00%	82	43.00%	77.00%
3	1.00%	1.00%	43	8.00%	13.00%	83	46.00%	83.00%
4	1.00%	1.00%	44	8.00%	14.00%	84	48.00%	85.00%
5	1.00%	1.00%	45	8.00%	15.00%	85	49.00%	88.00%
6	1.00%	1.00%	46	9.00%	15.00%	86	52.00%	93.00%
7	1.00%	1.00%	47	9.00%	17.00%	87	54.00%	96.00%
8	1.00%	1.00%	48	10.00%	18.00%	88	56.00%	100.00%
9	1.00%	1.00%	49	11.00%	19.00%	89	57.00%	102.00%
10	1.00%	1.00%	50	11.00%	20.00%	90	61.00%	109.00%
11	1.00%	1.00%	51	12.00%	22.00%	91	64.00%	115.00%
12	1.00%	1.00%	52	13.00%	23.00%	92	66.00%	118.00%
13	1.00%	1.00%	53	14.00%	24.00%	93	69.00%	124.00%
14	1.00%	1.00%	54	14.00%	26.00%	94	73.00%	130.00%
15	1.00%	1.00%	55	15.00%	26.00%	95	76.00%	135.00%
16	1.00%	1.00%	56	15.00%	28.00%	96	78.00%	140.00%
17	1.00%	2.00%	57	16.00%	28.00%	97	82.00%	147.00%
18	1.00%	2.00%	58	16.00%	29.00%	98	87.00%	156.00%
19	1.00%	2.00%	59	17.00%	31.00%	99	90.00%	161.00%
20	1.00%	3.00%	60	18.00%	32.00%	100	93.00%	165.00%
21	1.00%	3.00%	61	19.00%	33.00%	101	96.00%	172.00%
22	2.00%	4.00%	62	19.00%	35.00%	102	102.00%	182.00%
23	2.00%	4.00%	63	20.00%	36.00%	103	107.00%	192.00%
24	2.00%	4.00%	64	21.00%	38.00%	104	113.00%	203.00%
25	2.00%	4.00%	65	22.00%	39.00%	105	117.00%	209.00%
26	3.00%	4.00%	66	23.00%	41.00%	106	124.00%	221.00%
27	3.00%	4.00%	67	24.00%	43.00%	107	129.00%	231.00%
28	3.00%	5.00%	68	25.00%	44.00%	108	133.00%	238.00%
29	3.00%	5.00%	69	26.00%	46.00%	109	138.00%	246.00%
30	3.00%	5.00%	70	27.00%	48.00%	110	144.00%	257.00%
31	3.00%	5.00%	71	28.00%	50.00%	111	153.00%	274.00%
32	3.00%	6.00%	72	29.00%	52.00%	112	162.00%	289.00%
33	3.00%	6.00%	73	30.00%	54.00%	113	166.00%	297.00%
34	4.00%	7.00%	74	32.00%	56.00%	114	175.00%	313.00%
35	4.00%	7.00%	75	33.00%	58.00%	115	185.00%	330.00%
36	4.00%	8.00%	76	34.00%	60.00%	116	192.00%	342.00%
37	5.00%	9.00%	77	35.00%	63.00%	117	199.00%	355.00%
38	5.00%	9.00%	78	37.00%	66.00%	118	211.00%	377.00%
39	6.00%	10.00%	79	38.00%	68.00%	119	221.00%	394.00%
40	6.00%	11.00%	80	40.00%	71.00%			

This document is issued by HSBC Life (Singapore) Pte. Ltd. (Reg. No. 199903512M) E. & OE
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Tables 5 and 6 illustrate the terminal bonus payout based on the illustrated investment returns for Policy Currency in USD, for single premium and limited premium 3 years respectively.

Table 5: Terminal Bonus as a % of the Sum Insured of the Basic Cover (Policy Currency in USD) for Single Premium								
End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)	
	3.75%	5.30%		3.75%	5.30%		3.75%	5.30%
1	1.25%	2.50%	41	25.00%	48.75%	81	110.00%	212.50%
2	1.25%	2.50%	42	26.25%	50.00%	82	115.00%	221.25%
3	1.25%	2.50%	43	26.25%	50.00%	83	125.00%	240.00%
4	1.25%	2.50%	44	27.50%	51.25%	84	131.25%	251.25%
5	1.25%	2.50%	45	27.50%	51.25%	85	135.00%	260.00%
6	1.25%	2.50%	46	27.50%	51.25%	86	145.00%	278.75%
7	1.25%	2.50%	47	27.50%	52.50%	87	151.25%	290.00%
8	1.25%	2.50%	48	27.50%	53.75%	88	156.25%	300.00%
9	1.25%	2.50%	49	27.50%	53.75%	89	166.25%	318.75%
10	2.50%	3.75%	50	30.00%	57.50%	90	172.50%	331.25%
11	2.50%	3.75%	51	30.00%	58.75%	91	181.25%	348.75%
12	2.50%	3.75%	52	31.25%	60.00%	92	186.25%	357.50%
13	2.50%	3.75%	53	31.25%	60.00%	93	198.75%	381.25%
14	2.50%	3.75%	54	35.00%	66.25%	94	207.50%	400.00%
15	2.50%	3.75%	55	35.00%	67.50%	95	216.25%	416.25%
16	2.50%	3.75%	56	35.00%	67.50%	96	230.00%	441.25%
17	2.50%	3.75%	57	38.75%	73.75%	97	243.75%	468.75%
18	2.50%	3.75%	58	38.75%	75.00%	98	253.75%	488.75%
19	2.50%	3.75%	59	40.00%	76.25%	99	258.75%	497.50%
20	2.50%	5.00%	60	43.75%	83.75%	100	278.75%	535.00%
21	2.50%	5.00%	61	45.00%	86.25%	101	287.50%	552.50%
22	2.50%	5.00%	62	48.75%	93.75%	102	311.25%	597.50%
23	5.00%	8.75%	63	50.00%	95.00%	103	326.25%	626.25%
24	5.00%	8.75%	64	51.25%	97.50%	104	345.00%	663.75%
25	5.00%	8.75%	65	51.25%	98.75%	105	361.25%	693.75%
26	5.00%	10.00%	66	53.75%	103.75%	106	380.00%	731.25%
27	5.00%	10.00%	67	57.50%	111.25%	107	400.00%	770.00%
28	5.00%	10.00%	68	60.00%	116.25%	108	421.25%	810.00%
29	5.00%	10.00%	69	62.50%	120.00%	109	437.50%	841.25%
30	6.25%	12.50%	70	66.25%	127.50%	110	455.00%	875.00%
31	6.25%	12.50%	71	68.75%	131.25%	111	488.75%	940.00%
32	8.75%	16.25%	72	72.50%	140.00%	112	516.25%	993.75%
33	8.75%	16.25%	73	76.25%	147.50%	113	548.75%	1055.00%
34	8.75%	16.25%	74	80.00%	155.00%	114	570.00%	1095.00%
35	8.75%	17.50%	75	83.75%	161.25%	115	597.50%	1150.00%
36	8.75%	17.50%	76	90.00%	173.75%	116	623.75%	1200.00%
37	10.00%	18.75%	77	93.75%	181.25%	117	652.50%	1255.00%
38	10.00%	18.75%	78	96.25%	186.25%	118	696.25%	1340.00%
39	10.00%	18.75%	79	101.25%	195.00%	119	730.00%	1403.75%
40	25.00%	48.75%	80	105.00%	202.50%			

Table 6: Terminal Bonus as a % of the Sum Insured of the Basic Cover (Policy Currency in USD) for Limited Premium 3 Years								
End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)		End of Policy Year	At illustrated investment rate of return (p.a.)	
	3.75%	5.30%		3.75%	5.30%		3.75%	5.30%
1	0.00%	0.00%	41	32.50%	63.75%	81	217.50%	427.50%
2	0.00%	0.00%	42	33.75%	66.25%	82	231.25%	453.75%
3	1.25%	1.25%	43	35.00%	68.75%	83	247.50%	486.25%
4	1.25%	1.25%	44	36.25%	72.50%	84	255.00%	501.25%
5	1.25%	1.25%	45	40.00%	78.75%	85	262.50%	513.75%
6	1.25%	1.25%	46	42.50%	82.50%	86	278.75%	546.25%
7	1.25%	1.25%	47	43.75%	86.25%	87	287.50%	562.50%
8	1.25%	1.25%	48	45.00%	88.75%	88	298.75%	587.50%
9	1.25%	1.25%	49	47.50%	93.75%	89	306.25%	600.00%
10	2.50%	5.00%	50	51.25%	100.00%	90	327.50%	641.25%
11	2.50%	5.00%	51	53.75%	106.25%	91	343.75%	673.75%
12	2.50%	5.00%	52	57.50%	112.50%	92	352.50%	692.50%
13	2.50%	5.00%	53	60.00%	118.75%	93	368.75%	723.75%
14	2.50%	5.00%	54	63.75%	125.00%	94	388.75%	761.25%
15	3.75%	6.25%	55	70.00%	136.25%	95	405.00%	793.75%
16	3.75%	6.25%	56	72.50%	142.50%	96	417.50%	820.00%
17	3.75%	7.50%	57	76.25%	150.00%	97	440.00%	862.50%
18	3.75%	7.50%	58	80.00%	156.25%	98	465.00%	911.25%
19	3.75%	7.50%	59	86.25%	167.50%	99	480.00%	941.25%
20	5.00%	8.75%	60	88.75%	175.00%	100	495.00%	970.00%
21	5.00%	10.00%	61	92.50%	182.50%	101	513.75%	1007.50%
22	5.00%	11.25%	62	97.50%	191.25%	102	543.75%	1065.00%
23	6.25%	12.50%	63	101.25%	200.00%	103	572.50%	1123.75%
24	7.50%	13.75%	64	108.75%	213.75%	104	605.00%	1187.50%
25	7.50%	15.00%	65	112.50%	221.25%	105	625.00%	1226.25%
26	8.75%	17.50%	66	118.75%	232.50%	106	661.25%	1297.50%
27	10.00%	18.75%	67	122.50%	240.00%	107	690.00%	1353.75%
28	10.00%	20.00%	68	128.75%	251.25%	108	711.25%	1395.00%
29	11.25%	21.25%	69	132.50%	261.25%	109	736.25%	1443.75%
30	11.25%	22.50%	70	140.00%	273.75%	110	767.50%	1506.25%
31	12.50%	25.00%	71	145.00%	283.75%	111	817.50%	1603.75%
32	13.75%	27.50%	72	151.25%	296.25%	112	862.50%	1691.25%
33	15.00%	28.75%	73	156.25%	307.50%	113	887.50%	1740.00%
34	16.25%	32.50%	74	165.00%	322.50%	114	936.25%	1836.25%
35	17.50%	35.00%	75	171.25%	336.25%	115	985.00%	1931.25%
36	20.00%	38.75%	76	178.75%	350.00%	116	1022.50%	2005.00%
37	21.25%	41.25%	77	185.00%	363.75%	117	1060.00%	2077.50%
38	22.50%	45.00%	78	196.25%	385.00%	118	1127.50%	2211.25%
39	26.25%	51.25%	79	203.75%	400.00%	119	1177.50%	2310.00%
40	31.25%	61.25%	80	211.25%	415.00%			

The projected Monthly Cash Bonus and Terminal Bonus can be found in the Policy Illustration. The actual Monthly Cash Bonus and Terminal Bonus declared may be different from the amounts shown in the Policy Illustration.

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

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

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 vary significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

For HSBC Par Fund I (SGD) and HSBC Par Fund (USD), the past Total Expense Ratios are shown in Tables 8 and 9 below respectively.

Table 8: Total Expense Ratio (SGD)	
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.

Table 9: Total Expense Ratio (USD)	
Financial Year	Total Expense Ratio[2]
2022	2.95%
2023	2.38%
2024	1.85%
Average of last 3 years	2.37%
Average of last 5 years	2.90%
Average of last 10 years	3.81%

[2] The Total Expense Ratios are computed at the total participating fund level and are inclusive of HSBC Par Fund (USD), HSBC Par Fund I (SGD) and HSBC Par Fund II (SGD). 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) and HSBC Par Fund (USD), the past investment rates of return (after deducting investment expenses only) are shown in Table 10 below.

Table 10: Investment Rate of Return[3]		
Financial Year	SGD	USD
2022	-14.34%	-20.09%
2023	6.59%	9.12%
2024	4.63%	2.10%
Average of last 3 years	-1.51%	-3.80%
Average of last 5 years	1.20%	-0.53%
Average of last 10 years	2.62%	N/A

[3] 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 Change of Life Insured) will be shared within the pool of Policyowners.

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 Monthly Cash 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.

Past Bonuses
The table below shows the Monthly Cash Bonus rate payable as a % of the Sum Insured of the Basic Cover for Single Premium and the Monthly Cash Bonus already declared for 2024.

Financial Year	Monthly Cash Bonus rate payable as a % of the Sum Insured of the Basic Cover for Single Premium	
	SGD	USD
2024	1.60%	1.95%

HSBC's financial year is the 12-month period between 01 January and 31 December.

For the Single Premium, there are no historical reversionary bonus and terminal bonus prior to 2024 as this product was launched in March 2023.

For the Limited Premium 3 Years, there are no historical reversionary bonus and terminal bonus declared as this product was launched in March 2023.

Please also take note that past performance is not necessarily indicative of future performance and that future Monthly Cash Bonus and Terminal Bonus 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 **not** 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
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:
(i) 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
(ii) the Life Insured dies within one year from the Issue Date, the Commencement Date or the last Reinstatement Date (if any), whichever is the latest due to a **Pre-Existing Condition**; or
(iii) the diagnosis of TI is in the presence of Acquired Immunodeficiency Syndrome (AIDS) or infection by Human Immunodeficiency Virus (HIV).
(iv) We will not pay the Accidental Death Benefit if the Accidental Death arises directly or indirectly from:
   - deliberate acts such as self-inflicted injuries, suicide or attempted suicide;
   - unlawful acts, provoked assault or deliberate exposure to danger;
   - the effects of alcohol, drugs or any dependence;
   - illnesses, psychological conditions or eating disorders;
   - heat stroke;
   - a bad reaction to drugs or medication;
   - the effects of viruses (e.g. dengue), bacteria or diseases;
   - the negative effects or complications of medical and surgical care;
   - treatments aimed at improving appearance, such as cosmetic surgery or any treatment relating to a previous cosmetic treatment;
   - radiation or contamination from radioactivity;
   - being in any aircraft, except as a fare-paying passenger in a commercial aircraft, or during military operations in peacetime;
   - military, air force or naval operations, except when carried out in peacetime;
   - warlike operations (whether war is declared or not), war, invasion, riot or any similar event;
   - an Accident which happens outside of Singapore; if the Life Insured has been outside Singapore for more than 180 days in a row at the time of the Accident;
   - an act of terrorism or
   - the Life Insured's job or leisure pursuit in working at heights, working underground, using explosives or chemicals, motor racing, flying other than as a fare paying passenger on a commercial airline, diving below 30m or mountain climbing (4,000m and above).
(v) The Unemployment Support Benefit does not apply if:
   (a) the Unemployment is caused by any of the following:
      - your misconduct or any action that contributes to or leads to dismissal; or
      - your retirement, non-confirmation of probation, resignation or termination of the employment contract; or
      - your nervous breakdown, stress, burnout, disability, illness or on medical grounds; or
      - labour disputes such as strikes and lock-outs; or
      - the expiry of your fixed contract term; or
   (b) you knew or ought to have known of any staff reduction programme or business or corporate reorganisation announced or of impending unemployment prior to the Issue Date or a Reinstatement Date; or
   (c) the Unemployment Date is within one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is the latest; or
   (d) you were a part-time employee or temporary staff or self-employed; or
   (e) you were employed for less than 6 months prior to the claim being made.

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

Absolute 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.

Collateral Assignment
You may assign the Policy as collateral for credit facilities without the consent of any revocable Beneficiary. A request for assignment will not be effective until it is accepted and endorsed by us. We will not be responsible for the consequences, validity or effect of any attempted assignment.

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) the Policy being rendered void;
(vii) any other events which results in termination set out in the Policy General Provisions; and
(viii) 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**
   - Premiums payable and benefits paid out will be in USD for USD denominated plan and you may be subject to foreign exchange risk.

   - Where we make any payout to you, the amount you receive may be subject to fees and charges levied by your bank and such fees and charges will be borne by you.

   - Any request for us to make payment to banks outside of Singapore will be subject to HSBC country restrictions.

   - We may review and supplement or amend certain clauses of your Policy if it is reasonably necessary to give effect to:
     (i) applicable laws, rules, regulations; or
     (ii) 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.

     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 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).