HSBC Life Savings Protector 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 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.

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 or is diagnosed with Terminal Illness during the **Waiting Period**.

Minimum Protection Cover II will not be paid under the Policy if:
(i) the cause of death or Terminal Illness is due to a **Pre-Existing Condition**; or
(ii) the cause of death or Terminal Illness for the Life Insured is directly or indirectly, wholly or partly caused by or arising from or contributed to by a congenital or inherited disorder that manifested before age 6 years.

Waiting Period is defined as one year from the Issue Date, Commencement Date, or last Reinstatement Date (if any), whichever is the latest. It will not apply if the claim is due to Accidental Death. "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 Accident.

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.

Nature and Objective of the Plan

(i) HSBC Life Savings Protector II ("Savings Protector II") is a 10-year participating endowment plan with an in-built non-participating supplementary benefit, Minimum Protection Cover II. The premium payment period for the Policy is 3 or 5 years. Premiums for Savings Protector II are guaranteed throughout the selected premium term.
   (a) The Savings Protector II Basic Cover allows policyowners to participate in the profits of the participating fund (the "**Fund**") through non-guaranteed Bonuses (reversionary bonus and terminal bonus) that may be declared and allocated from time to time.
   (b) The in-built Minimum Protection Cover II is a non-participating supplementary benefit providing minimum guaranteed Death Benefit of 115% of the guaranteed Maturity Benefit, in return for the additional premiums paid. The Sum Insured for this supplementary benefit is determined at the point of Application. Any changes to the Policy that result in a change to the amount of Premiums you pay, will vary the Sum Insured.

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

(iii) This plan is **not** suitable for those with an investment horizon of less than 10 years or those looking for pure insurance cover with no savings component.

Aggregation Limit
Your Policy is underwritten based on the amount which is equal to the difference between Basic guaranteed Death Benefit that is equivalent to 110% of the total Basic Premiums paid for the Basic Cover, excluding additional Premiums, and the Minimum Protection Cover II at Policy inception. This amount is capped at an aggregate of SGD 250,000 per Life Insured in respect of all Savings Protector II policies. If the same Life Insured is covered by other HSBC Life plans issued with no requirement for evidence of good health, a higher cap of SGD 500,000 shall apply on an aggregate basis.

Insurance Benefits under the Plan

1. **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 by this plan is the sum of:
   (i) 115% of the guaranteed Maturity Benefit; and
   (ii) non-guaranteed bonuses (if any)

   less any unpaid Premium(s), and any amount owing to us.

   The additional coverage provided by the Minimum Protection Cover II is equal to the difference between 115% of the guaranteed Maturity Benefit and 110% of the total Basic Premiums paid for the Basic Cover (excluding any additional Premiums). This additional coverage ensures that the minimum guaranteed Sum Insured is equal to 115% of the guaranteed Maturity Benefit.

   The total Basic Premiums paid for the Basic Cover excludes any additional premium – Premiums paid for non-annual mode policies will be higher than annual mode policies. *The total annualised basic premium under a monthly mode will be 2% higher than its corresponding annual mode premium.*

   <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.

   No benefit shall be payable under the Policy if Terminal Illness is due to a Pre-Existing Condition. 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 Sum Insured and SGD 3 Million will be payable upon Death.

2. **Maturity Benefit**
   Upon maturity of the Policy, in the absence of any claims, the Maturity Benefit will be paid out to you. Please see the Policy Illustration for the amount of the guaranteed and non-guaranteed Maturity Benefit that you may get. The guaranteed Maturity Benefit will be paid out regardless of the Fund performance.

3. **Surrender Value**
   Surrender Value begins from the 3rd Policy Year. Please see the Policy Illustration for the amount of guaranteed and non-guaranteed Surrender Value you may require in each Policy Year. The guaranteed Surrender Value will be paid out regardless of the Fund performance.

4. **Bonuses**
   You may receive additional Bonus(es) under the Basic Cover consisting of i) Reversionary bonus, and/or ii) Terminal bonus.

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

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

   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$5 per S$1,000 of basic cover and the illustrative reversionary bonus rate payable on reversionary bonus already declared and allocated is 0.5% 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$5 per S$1,000 of basic cover and the illustrative reversionary bonus rate payable on reversionary bonus already declared and allocated is 0.5% 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 5th Policy Year. **Table 1** illustrates the terminal bonus payout based on the illustrated investment return of 3.00% p.a. and 4.25% p.a. on the Fund:

Table 1: Terminal Bonus				
Payout Year	Percentage of Reversionary Bonus(es) accumulated			
	3-pay		5-pay	
	Illustrated Investment Return of 3.00%	Illustrated Investment Return of 4.25%	Illustrated Investment Return of 3.00%	Illustrated Investment Return of 4.25%
End of Policy Year 5 to 10	140%	400%	93%	310%

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 the policyowners 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 2026 and the Actual Mix of the participating fund as at 31 Dec 2025 are as follows:

Table 2: Investment Mix	HSBC Par Fund I (SGD)	
Asset Mix	Target Mix	Actual Mix
Growth Assets (e.g. Equities, Private Equities)	33%	36%
Bonds & Alternative Credit Strategies	67%	62%
Cash & Others	0%	2%

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

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

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

<u>Total Expense Ratio</u>

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 3 below.

Table 3: Total Expense Ratio	
Financial Year	Total Expense Ratio[1]
2023	2.01%
2024	1.74%
2025	1.64%
Average of last 3 years	1.79%
Average of last 5 years	1.88%
Average of last 10 years	1.88%

[1]Please note that the 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 4 below.

Table 4: Investment Rate of Return	
Financial Year	Investment Rate of Return[2]
2023	6.59%
2024	4.63%
2025	6.77%
Average of last 3 years	5.99%
Average of last 5 years	1.16%
Average of last 10 years	3.28%

[2] HSBC's financial year is the 12 months 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.

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 Fund performance 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 to 2025.

Financial Year	Basic Cover	Reversionary Bonus already declared
2023 to 2025	S$5 per S$1,000	0.5%

The terminal bonus rates for the past 3 years (or shorter if the plan was launched later) are consistent with the terminal bonus rates illustrated at the investment rate of return of 4.25% p.a. stated in Table 1 above.

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 June 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 **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 later; or
(ii) the Life Insured dies or is diagnosed with Terminal Illness during the **Waiting Period**.

Minimum Protection Cover II will not be paid under the Policy if:
(i) the cause of death or Terminal Illness is due to a **Pre-Existing Condition**; or
(ii) the cause of death or Terminal Illness for the Life Insured is directly or indirectly, wholly or partly caused by or arising from or contributed to by a congenital or inherited disorder that manifested before age 6 years.

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.

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**
   - 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.

   - 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).