

This Product Highlights Sheet is an important document.

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

R145 FPIL HSBC GEM Debt Total Return
(invests in HSBC Global Investment Funds – GEM Debt Total Return M1C USD)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	July 2013
Manager	HSBC Investment Funds (Luxembourg) S.A.	Custodian	HSBC Plc
Capital Guaranteed	No	Dealing Frequency	Every UK Business Day
Name of Guarantor	N/A	Expense Ratio for the underlying fund	1.35% (as at 03/02/21)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

The ILP Sub-Fund is only suitable for investors with a long term investment horizon. It is intended for more experienced investors aiming for an investment where a high proportion of the assets may be invested in Emerging Markets and smaller capitalisation securities, which may reduce liquidity and increase the volatility of return. Please note the ILP Sub-Fund does not distribute income and where applicable will re-invest any income received from the underlying fund.

It is important to remember that, as with most investments, the value of your investments are not guaranteed and can go down as well as up. Therefore we suggest that you only invest money that can be committed for the medium to long term. You should also bear in mind that securities held within a fund may not be denominated in the currency of that fund, so unit prices may fall purely on account of exchange rate fluctuations.

Please note that Friends Provident International Limited (“FPIL”) investment products are intended for medium to long term investment and are not therefore designed for early surrender. If you do surrender early, a product surrender charge may be applied. Please note that the earlier you terminate your plan, the more you may lose.

Additional Information

-For details of surrender charges please refer to the section on ‘Fees and Charges’ in the relevant Product Summary.
 -Please refer to the ‘General Information’ and ‘Sub-Fund Details’ sections of the underlying fund’s prospectus for further information on the suitability of the Sub-Fund.

KEY FEATURES OF THE SUB-FUND

WHAT ARE YOU INVESTING IN?

You are investing in an ILP Sub-Fund that invests in the HSBC Global Investment Funds – GEM Debt Total Return Fund* (“the Fund” or “underlying fund”), apart from a proportionately small amount which may be held as a cash balance to optimise dealing efficiencies in the underlying fund. We endeavour to maintain a cash balance limit of up to 0.75%.

*This is a Sub-Fund of the HSBC Global Investment Funds, an investment company (Société d'Investissement à Capital Variable) incorporated in the Grand Duchy of Luxembourg and qualifying as an Undertaking for Collective Investment in Transferable Securities (UCITS) complying with the provisions of Part I of the 2010 Law. HSBC Global Investment Funds is structured as an umbrella fund offering Shares in the Fund for investment.

-Please refer to the ‘General Information’ and ‘Sub-Fund Details’ sections of the underlying fund’s prospectus for further information on the features of the Fund.

¹ For ILP sub-fund that feeds 100% into an underlying CIS fund, some information provided below could be similar to the underlying CIS fund. In this instance this ILP sub-fund will be at minimum feed 99.25% into the underlying CIS fund.

Investment Strategy	
<p>-The Fund invests for a long-term total return in a portfolio allocated across the full spectrum of Emerging Markets bond and other securities or instrument.</p> <p>-The Total Return strategy aims to capture the majority of the upside in the Emerging Market debt universe while limiting the downside risk. The Total Return strategy has a flexible allocation across the full spectrum of Emerging Market debt assets. Returns are generated through duration management, yield curve positioning, currency positioning and the selection of individual securities within the investment universe. By seeking multiple sources of return, the Total Return Strategy aims to provide over and investment cycle risk adjusted returns above the investment universe of the Fund without reference to a benchmark index. However the Total Return strategy does not imply there is any protection of capital or guarantee of a positive return over time. The Fund is subject to market risk at any time.</p> <p>-The Fund invests in normal market conditions primarily in Investment Grade and Non-Investment Grade Fix income and other similar securities issued by companies which are domiciled in, based in or carry out the larger part of their business in Emerging Markets or which are issued or guaranteed by governments, government agencies, quasi-government entities, state sponsored enterprise, local or regional governments (such as state and provincial governmental entities and municipalities) and supranational bodies of Emerging Markets. The Investment Advisor may reduce the sub-fund's exposure to the aforementioned assets at any time and invest up to 49% of the sub-fund's net assets in cash, cash instruments and/or money market instruments which may be issued by governments in developed markets.</p>	<p>-Please refer to the 'Sub-Fund Details' section of the underlying fund's Prospectus for further information on the investment strategy of the Fund.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <p>Management Company of the underlying fund: HSBC Investment Funds (Luxembourg) S.A.</p> <p>Investment Adviser of the underlying fund: HSBC Global Asset Management (USA) Inc</p> <p>Depository Bank of the underlying fund: HSBC Continental Europe, Luxembourg</p>	<p>-Please refer to the 'Company Details' section of the underlying fund's Prospectus for further information on the roles and responsibilities of these entities and what happens if they become insolvent.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>-The value of an investment is not guaranteed and can go up and down depending on performance. You could get back less than you have paid in. At times, the ILP Sub-Fund may, subject to the Appointed Actuary's agreement and provisions allowed for in the Policy Conditions, need to change the way its price is calculated, to ensure that those moving into and out of the ILP Sub-Fund are treated fairly. This can have a negative effect on the ILP Sub-Fund's price and performance.</p> <p>-Fund managers have the ability, in exceptional circumstances, to suspend trading in their funds for as long as necessary. When this occurs we will need to delay the 'cashing in' or switching of units in the relevant fund. You may not be able to access your money during this period.</p> <p>These risk factors may cause you to lose some or all of your investment:</p>	<p>Additional Information</p> <p>-Please refer to the 'Valuations and Pricing' section of your Policy Conditions for further information.</p> <p>-Please refer to the 'General Risk Considerations' and 'Sub-Fund Specific Risk Considerations' sections of the underlying fund's Prospectus for further information on the risks of the Fund.</p> <p>-Please refer to the 'Risks' section of the relevant Product Summary for further information.</p>
Market and Credit Risks	
<p>You are exposed to Interest Rate Risk</p> <p>-The Fund invests in bonds and other fixed income securities and may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate</p>	

<p>changes.</p> <p>You are exposed to Credit Risk -The Fund invests in bonds and other fixed income securities and is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.</p> <p>You are exposed to Exchange Rate Risks -Movements in exchange rates can impact on both the level of income received and the capital value of your investment. If the currency of your country of residence strengthens against the currency in which the underlying investments of the Fund are made, the value of your investment will reduce and vice versa.</p>	
Liquidity Risks	
<p>You are exposed to Liquidity Risks -There may be occasions when the manager is unable to sell some or all of the shares within the Fund, which could delay payment or redemption of proceeds.</p>	
Product-Specific Risks	
<p>You are exposed to Derivatives Risks -There is no guarantee that the investment objective of the Fund will be achieved. HSBC Global may use, under certain conditions, options and futures on indices and interest rates, for the purposes of efficient portfolio management. Also, the Fund may hedge market and currency risks using futures, options and forward exchange contracts within prescribed limits. Transactions in futures carry a high degree of risk. A relatively small market movement will have a proportionately larger impact which may work for or against the investor. Transactions in options also carry a high degree of risk.</p> <p>You are exposed to Emerging Markets Risk -Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.</p> <p>You are exposed to Non-Investment Grade Debt Risk -Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality than for Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings. The market liquidity for Non-Investment Grade fixed-income securities can be low and there may be circumstances in which there is no liquidity of for these securities, making it more difficult to value and/or sell these securities.</p> <p>You are exposed to the Risks Associated with Performance Fee -The Management Company of the Fund may be entitled to a performance fee. The Fund's valuation may include both realised and unrealised gains and a performance fee may be paid on unrealised gains which may not subsequently be realised. Due to the way in which the performance fee is calculated (please refer to the "Charges and Expenses" section of the underlying fund's prospectus), a shareholder may incur a performance fee even though ultimately such shareholder does not receive a positive return.</p>	
FEES AND CHARGES	
<p>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</p> <p>Charges are deducted by both FPIL and the underlying investment managers at each valuation point before calculating the unit price, as set out below.</p> <p>FPIL charges (payable directly by you) -You will need to pay an ILP Sub-Fund administration charge of 1.2%. -There is currently no charge for switching funds although switching to a fund which differs from your plan currency may involve a cost associated with currency exchange. However, we reserve</p>	<p>-For full details of the charges that may apply please refer to the section on 'Fees and Charges' in the relevant Product Summary. -Please refer to the 'Charges' section of your</p>

the right to charge for switches under certain conditions.
 -Any sales and/or redemption charges will be determined by the terms of your Policy Conditions.
Underlying investment managers' charges (these charges are as at 03/02/21 and are payable by the ILP Sub-Fund from invested proceeds)

Annual Management Charge (AMC)	1.00%
Additional Expenses	0.35%
Expense Ratio*	1.35%
Performance Fee	20% over the Hurdle Rate**

***Please note that with effect from 24 March 2014, the Total Expense Ratio (TER) has been replaced by the Ongoing Charges Figure ("OCF"), which is quoted above as Expense Ratio**

**A Hurdle Rate of 5% per annum in the Net Asset Value per Share applies, before the performance fee can take effect.

Policy Conditions for further information.
 -Please refer to the 'Charges and Expenses' section of the underlying fund's Prospectus for further details of how the Performance Fee is calculated.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

Every UK Business Day
 Latest fund prices can be obtained from <http://www.fpinternational.sg/fund-centre/>

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

There is a Cooling off period of 14 days from when you receive your Policy Documents. If you decide to exit the policy during this time you should complete the cancellation form and send this back to the address provided, together with the original Policy Documents. We will refund any monies paid, less any shortfall (if any) which may result if the value of your investment falls by the time you tell us of your wish to cancel. If you elect to exit your policy after the Cooling off period has expired, penalties may be applied.

If you no longer wish to invest in this FPIL ILP Sub-fund you have selected, you may switch all or part of your holdings into alternative fund(s) by sending us a completed Fund Transfer Request form, signed. Switching from one fund to another is done on a bid to bid basis, without charge (although we do reserve the right to charge). If you are switching between currencies, the relevant exchange rates will be applied and shown on your switch confirmation.

The sale proceeds that you will receive will be the realisation price multiplied by the number of units sold, less any charges. An example (assuming a redemption charge of 4%) is as follows*:

<u>Realisation price</u>	<u>Number of units sold</u>	=	<u>Gross Realisation Proceeds</u>
S\$0.93	X 100,000		S\$93,000
<u>Gross Realisation Proceeds</u>	<u>Realisation Fee</u>	=	<u>Net Realisation Proceeds</u>
S\$93,000	- S\$3,720		S\$89,280

Additional Information

-Please refer to the 'Valuations and Pricing' section of your Policy Conditions for further information.

*For full details of the charges that may apply please refer to the section on 'Fees and Charges' in the relevant Product Summary.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

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APPENDIX : GLOSSARY OF TERMS

Bond/Fixed Interest Security

A bond is a type of investment that represents a written promise to repay a debt at an agreed time and to pay an agreed rate of interest on that debt. It provides periodic payments (which may be fixed or variable) and the return of capital at maturity. Generally, because these types of assets produce an income and can be less risky than other types of assets they offer a lower return.

Debt Security

A debt investment, with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate. The indebted entity issues investors a certificate, or bond, that states the interest rate (coupon rate) that will be paid and when the loaned funds are to be returned (maturity date).

Derivatives

Also known as Financial Derivative Instruments (FDI). Financial contracts whose value is tied to an underlying asset. Derivatives include futures and options.

Expense Ratio

The Expense ratio provides customers with an indication of the overall costs of investing in a particular fund.

The expense ratio as calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. Different methods of calculation of Expense Ratio can be used, including Total Expense Ratio (TER) and Ongoing Charges Figure (OCF) but these are broadly the same.

Financial Derivative Instrument (FDI)

Also known as Derivatives. Financial contracts whose value is tied to an underlying asset. Derivatives include futures and options.

Future

A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price.

Hedge/Hedging

Any transaction with the objective of limiting exposure to risk such as changes in exchange rates or prices.

Hurdle Rate

The minimum rate of return required on an investment by a fund manager before specific fees can be taken.

Investment Grade

A rating that indicates that a municipal or corporate bond has a relatively low risk of default.

OECD

Organisation for Economic Co-operation and Development.

Ongoing Charges Figure (OCF)

A type of expense ratio. The ongoing charges figure is based on expenses for the previous year and is a ratio of the total ongoing charges to the fund's average net asset value over its last reporting period. This figure may vary from year to year. The charges you pay are used to pay the costs of the underlying ILP sub-fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

For more information about charges, please consult the Prospectus for the underlying fund of the ILP sub-fund invested in, available from <http://www.fpinternational.sg/fund-centre/product-highlight-sheets.jsp>.

Details of the calculation methodology can be found in full at http://www.esma.europa.eu/system/files/10_674.pdf.

Option

A privilege sold by one party to another that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security at an agreed-upon price during a certain period of time or on a specific date.

Societe d'Investissement a Capital Variable (SICAV)

A Luxembourg incorporated company that is responsible for the management of a mutual fund and manages a portfolio of securities.

Specified Investment Product (SIP)

SIP is a class of investment products defined by the Monetary Authority of Singapore (MAS). Generally, (although not in all instances), financial advisers have to carry out more due diligence, including customer knowledge assessment, when advising about a SIP.

Structured Products

Investment instruments specially created to meet specific needs that cannot be met from standardised financial instruments of which the structured product is based upon. Examples of Structured Products are Mortgage Backed Securities, Asset Backed Securities and Structured Notes.

Swap

The exchange of one security for another to change the maturity (bonds), quality of issues (stocks or bonds), or because investment objectives have changed.

Undertakings for Collective Investment (UCITs)

A type of collective investment (or fund) Undertakings for Collective Investment in Transferable Securities (UCITS) allow financial institutions to operate freely throughout the European Union on the basis of a single authorisation from one member state.

Umbrella Fund

An investment company which has a group of sub-funds (pools) each having its own investment portfolio. The purpose of this structure is to provide investment flexibility and widen investor choice.

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