

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.

R236 FPIL HSBC Global Equity Climate Change (USD) (Invests in HSBC Global Investment Funds - Global Equity Climate Change AC)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	September 2021
Management Company	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	1.85% (as at 01/02/2023)

SUB-FUND SUITABILITY

<p>WHO IS THE SUB-FUND SUITABLE FOR?</p> <p>The Sub-Fund is only suitable for investors who have a long-term investment horizon and are prepared to accept a moderately high level of Volatility.</p> <p>It is important to remember that, as with most investments, the value of your investments is 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.</p> <p>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.</p>	<p>Further Information</p> <p>-Refer to the section on 'Fees and Charges' in the relevant Product Summary.</p>
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KEY FEATURES OF THE SUB-FUND

<p>WHAT ARE YOU INVESTING IN?</p> <p>You are investing in an ILP Sub-Fund that invests in the HSBC Global Investment Funds – Global Equity Climate Change* ('the Fund' or 'underlying fund'), apart from a proportionately small amount which may be held in cash to optimise dealing efficiencies in the underlying fund. We endeavour to maintain a cash balance limit of up to 0.75%.</p> <p>The underlying fund of the ILP Sub-Fund is an accumulation fund, which means the fund will automatically reinvest any dividends.</p> <p>*HSBC Global Investment Funds (GIF) is an Open-Ended Investment Company incorporated in Luxembourg as a société anonyme, qualifying as a Société d'Investissement à Capital Variable (SICAV). Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.</p>	<p>-Refer to the 'Section 2. Company Details' in the underlying fund's prospectus for further information on the features of the Fund.</p>
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¹ For ILP Sub-Fund that feeds 100% into an underlying fund, some information provided below could be similar to the underlying fund. In this instance, this ILP sub-fund will at minimum feed 99.25% into the underlying fund, HSBC GIF Global Equity Climate Change Fund.

Investment Strategy	
<p>-The sub-fund aims to provide long-term total return by investing in companies that may benefit from the transition to a low carbon economy, thereby promoting ESG characteristics within the meaning of Article 8 of SFDR. The sub-fund aims to do this with a lower carbon intensity and a higher environmental, social and governance (“ESG”) rating, calculated respectively as a weighted average of the carbon intensities and ESG ratings given to the issuers of the sub-fund’s investments, than the weighted average of the constituents of the MSCI AC World Net index.</p> <p>-The sub-fund invests in normal market conditions a minimum of 70% of its net assets in Equities and Equity equivalent securities of companies with revenue exposure to climate transition themes (“Climate Transition Themes”) which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in, any country including both developed markets and Emerging Markets. The sub-fund may also invest in eligible closed-ended Real Estate Investment Trusts (“REITs”).</p> <p>-Climate Transition Themes may include, but are not limited to, renewable energy, energy efficiency, clean transportation and green buildings. Climate Transition Themes are proprietary to HSBC, determined with reference to the eligible activities of the Green Bond Principles of the International Capital Market Association and the Climate Bonds Taxonomy of the Climate Bonds Initiative, subject to ongoing research and may change over time as new themes are identified. The Investment Adviser may rely on its own research to identify suitable companies meeting a minimum revenue exposure threshold to Climate Transition Themes. The minimum revenue exposure threshold will depend on the specific Climate Transition Theme but will be at least 10% of the relevant company’s total revenue.</p>	<p>-Refer to ‘Section 3. Sub-Fund Information’ in 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 Manager of the underlying fund: HSBC Global Asset Management (UK) Limited</p> <p>Singapore Representative of the underlying fund: HSBC Global Asset Management (Singapore) Limited</p> <p>Depository of the underlying fund: HSBC Continental Europe, Luxembourg</p>	<p>-Refer to Section ‘2.12. Management Company and Investment Advice’ and ‘2.14. Administration’ in 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>Further Information</p> <p>-Refer to the ‘Valuations and Pricing’ section of your Policy Conditions for further information.</p> <p>Refer to the ‘General Risk Considerations’ and ‘Sub-Fund Specific Risk Considerations’ sections of the underlying fund’s prospectus for further information on risks.</p>

Market and Credit Risks

Investment Risks: There is no guarantee that the Fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Currency Risks: Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund and the class of shares may be designated in a currency other than the base currency of the Fund.

Emerging Markets Risks: The Fund invests in emerging markets, which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as greater liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a higher degree of Volatility.

Equity Market Risks: The Fund's investment in Equity securities is subject to general market risks, whose value may be adversely impacted due to various factors, such as changes in investment sentiment, political and economic conditions, liquidity risks and issuer-specific factors. Further, risks may be exacerbated for certain markets and segments (e.g. smaller capitalisation companies).

Liquidity Risks

Liquidity Risk: Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors.

Product-Specific Risks

Derivatives Risks: Risks associated with Financial Derivative Instruments include counterparty/credit risk, greater liquidity risk, valuation risk, Volatility risk and over-the-counter transaction risk. The use of Derivatives for investment purposes may involve leverage. Leverage can result in a loss significantly greater than the amount invested in Derivatives by the Fund leading to a higher risk of significant loss by the Fund.

ESG Investment Policy Risks: The Fund may invest based on carbon intensity and/or ESG ratings and/or certain inclusion / exclusion themes as set out in the investment policy ("Green Criteria"). The use of Green Criteria may affect the Fund's investment performance and, as such, the Fund may perform differently compared to similar funds that do not use such criteria.

Small/Mid-Capitalisation Companies Risks: The stock of small/mid-capitalised companies may be exposed to greater liquidity risk, be more volatile and be more sensitive to adverse economic developments than those of larger capitalised companies in general.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Charges are deducted by both FPIL and the underlying investment managers at each valuation point before calculating the unit price, as set out below.

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 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 01/02/23 and are payable by the ILP Sub-Fund from invested proceeds)

-Refer to the section on 'Fees and Charges' in the relevant Product Summary.

-Refer to the 'Charges' section of your Policy Conditions for further information.

Annual Management Charge (AMC)	1.50%
Additional Expenses	0.35%
Expense Ratio	1.85%
Performance Fee	Nil

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 30 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 an alternative Fund(s) by sending us a completed Switch/Redirection 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 *:

Realisation price proceeds	Number of units sold	Gross Realisation
S\$0.93	x 100,000	= S\$93,000

Gross Realisation price proceeds	Realisation Fee	Net Realisation
S\$93,000	- S\$3,720	= S\$89,280

Further Information

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

*Refer to the section on 'Fees and Charges' in the relevant Product Summary.

CONTACT INFORMATION
HOW DO YOU CONTACT US?

For enquiries in relation to the Fund or any FPIL ILP Sub-Fund contact the Singapore representative at Friends Provident International Limited (Singapore Branch), 182 Cecil Street, Level 17 Frasers Tower, Singapore 069547, telephone number: (65) 6320 1088, email singapore.enquiries@fpiom.com

APPENDIX : GLOSSARY OF TERMS
Derivatives

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

Equities

Ownership positions in companies that can be traded in public markets. Often produce current income which may be paid in the form of dividends. In the event of the company going bankrupt Equity holders' claims are subordinate to the claims of preferred stockholders and bondholders.

ESG

Environmental, Social, and Governance (ESG) investing refers to a set of standards for a company's behaviour used by socially conscious investors to screen potential investments.

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.

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 www.fpinternational.sg/phs. Details of the calculation methodology can be found in full at: www.esma.europa.eu/sites/default/files/library/2015/11/10_674.pdf

Open-Ended Investment Company

An open-ended collective investment vehicle, structured as an investment company, where new shares are created or redeemed, depending on demand from investors.

SICAV

A Société d'investissement à Capital Variable, or SICAV fund, is a publicly-traded open-end investment fund structure offered in Europe.

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

Volatility

The relative rate at which the price of a security or fund moves up and down. Volatility is found by calculating the annualised standard deviation of daily change in price. If the price of a stock moves up and down rapidly over short time periods, it has high Volatility. If the price almost never changes, it has low Volatility.

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XSG/PHS_R236 09.23