

Purpose

This document provides you with the key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Investment

| | | | |
|----------------------------|---------------------|------------------------|----------------------------------|
| Name of investment: | HLM Malta Bond Fund | Asset Manager: | HSBC Life Assurance (Malta) Ltd. |
| Identifier: | MTA00015LF_451 | Published Date: | 31/07/2023 |

What is this investment?

Type

Unit Linked - Multi-Option Product

Intended retail investor

This fund is aimed at retail investors who have been able to identify their own risk tolerance, established through the services of a financial adviser and/or a risk tolerance questionnaire, and who can understand the range of potential returns, in the different scenarios indicated in this KID, which this fund may experience, while also acknowledging that these potential returns are in no way guaranteed. The fund is not appropriate for investors who are seeking guaranteed returns or no loss of capital over any time period.

Objective

The Fund seeks to achieve long-term total return expressed in euro by primarily investing in Maltese fixed income securities of corporate and sovereign issuers through investment in an underlying fund or funds. The underlying fund may invest in financial derivatives, other financial instruments and engage in leverage which may result in the overall risk exposure of the underlying fund to exceed their total net assets. For the full investment, objectives, investment policy and risk factors of the underlying fund please consult the current prospectus. For operational purposes the HLM Fund may hold a proportionately small amount of its holdings in cash.

What are the risks and what could I get in return?

Risk indicator

Lower risk 1 2 3 4 5 6 7 Higher risk



The risk indicator assumes that you keep the investment for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less than invested.

You may have to pay significant extra costs to cash in early.

The summary risk indicator is a guide to the level of risk of this investment compared to other investments. It shows how likely it is that this investment will lose money because of movements in the markets or because HSBC Life Assurance (Malta) Ltd. is not able to pay you.

We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact our capacity to pay you.

However, you may benefit from a consumer protection scheme (see the section "What happens if HSBC Life Assurance (Malta) Ltd. is unable to pay out?") within the product KID. The indicator shown above does not consider this protection.

Performance information

The figures shown include all the costs of the investment itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this HLM Fund depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of The HLM Fund over the last 10 years. Markets could develop very differently in the future.

Recommended holding period: 5 years
Insurance premium: 10,000 €

If you exit after 1 year

If you exit after 5 years

Scenario

| Scenario | | If you exit after 1 year | If you exit after 5 years |
|---------------------|--|--------------------------|---------------------------|
| Minimum | There is no minimum guaranteed return. You could lose some or all of your investment. | | |
| Stress | What you might get back after costs | € 8,830 | € 8,760 |
| | Average return each year | -11.7 % | -2.6 % |
| Unfavourable | What you might get back after costs | € 9,230 | € 9,320 |
| | Average return each year | -7.7 % | -1.4 % |
| Moderate | What you might get back after costs | € 10,070 | € 10,580 |
| | Average return each year | 0.7 % | 1.1 % |
| Favourable | What you might get back after costs | € 10,970 | € 11,480 |
| | Average return each year | 9.7 % | 2.8 % |

Death scenario

| Insured event | What your beneficiaries might get back after costs | € 10,171 | € 10,690 |
|--|--|----------|----------|
| Insurance premium taken over time | | 0 € | 0 € |

The stress scenario shows what you might get back in extreme market circumstances.

The unfavourable scenario occurred for an investment between September 2019 and July 2023.

The moderate scenario occurred for an investment between November 2015 and November 2020.

The favourable scenario occurred for an investment between March 2014 and March 2019.

The above performance scenario figures are only applicable at policy inception.

What are the costs?

The person advising on or selling you the product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Cost over time

The table shows the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the investment and how well the investment does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods excluding the product costs which are included in the product KID.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return).
- 10,000 € is invested

| | If you exit after 1 year | If you exit after 5 years |
|-------------------------------|-----------------------------|------------------------------|
| Total costs | € 132 | € 716 |
| Annual cost impact (*) | 1.3 % | 1.3 % |

(*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 2.5 % before costs and 1.1 % after costs.

Composition of costs

| | | Annual cost impact if you exit after 5 years |
|--|---|---|
| One-off costs upon entry or exit | | |
| Entry costs | We do not charge an entry fee | 0.0 % |
| Exit costs | Exit costs are stated as "N/A" in the next column as they do not apply if you keep the product until the recommended holding period. | 0.0 % |
| Ongoing costs taken each year | | |
| Management fees and other administrative or operating costs | This is an estimate based on actual costs over the last year. | 1.3 % |
| Transaction costs | 0.0 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments. The actual amount will vary depending on how much we buy and sell. | 0.0 % |
| Incidental costs taken under specific conditions | | |
| Performance fees and carried interest | There is no performance fee for this investment. | 0.0 % |

Other relevant information

For information in relation to past performance of the HLM Funds covering at least 10 years can be found under section "Fund Fact Sheets" on the website <https://www.hsbc.com.mt/insurance/forms/>. The previous performance scenarios can be found on the website <https://www.hsbc.com.mt/investments/key-information-documents/archive/>.