

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.

Product

| | | | |
|-------------------------|---|----------------------|---|
| Name of Product: | Flexible Savings and Investments Plan – Single Premium | Manufacturer: | HSBC Life Assurance (Malta) Ltd. |
| Website: | https://www.hsbc.com.mt/investments/products/unit-linked | Telephone: | Premier: 2148 9100 / Advance: 2148 9101 / Retail: 2380 2380 |
| Published Date: | 29/02/2024 | | |

HSBC Life Assurance Malta Ltd. (“HSBC Life”) is a subsidiary of HSBC Bank Malta p.l.c. This Packaged Retail Insurance Investment Product (“PRIIP”) is authorised in Malta. The Malta Financial Services Authority is responsible for supervising HSBC Life Assurance (Malta) Ltd. in relation to this Key Information Document (KID).

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

The Flexible Savings Investment Plan (the “Product”) is a life insurance based unit-linked investment plan.

Objective

This Product is a single premium plan with a range of local and international funds backed by various underlying assets held in a range of currencies. The product allows policyholders to participate in the HSBC Life Malta (“HLM”) Unit-Linked funds. It aims to provide a lump sum payment on maturity. HLM Funds invest in various market segments. For more information, consult the related HLM Fund KID. The value of the product will depend on the value of the underlying assets which depend on market factors.

Intended retail investor

This Product is intended for a retail investor who wants to have the flexibility to invest in different funds. The product is not appropriate for investors who are seeking guaranteed returns or no loss of capital over any time period. The type of investors to whom the product is intended to be marketed varies on the basis of the underlying investment option/s.

Further details on the product including the HLM Funds can be found on the website. Wealth Advisors will guide you to choose the HLM Fund/s that are suitable for your investment risk & objectives.

Insurance benefits and costs

The plan provides the added benefit of a limited life cover. In the event of death of the Life Assured, 101% of the bid price of the units in the HLM Funds is paid. The value of the death benefit is shown in the section entitled “What are the risks and what I could get in return?” in the KID of the HLM Funds.

This Product does not allow you to take up additional insurance benefits however additional lump sums are accepted throughout the policy lifetime. For additional details please refer to the Key Features Document and the Policy Terms & Conditions of the Product.

Terms of PRIIPs

- (a) Maturity date: the Product duration is set at policy inception and can be between 5 to 45 years.
- (b) HSBC Life cannot terminate the Product unilaterally, however termination is possible should you submit false declarations or in the event of non-disclosure of material circumstances.
- (c) The Product can cover up to two lives assured (joint life) and will pay on the first death, after which the policy is terminated;
- (d) The recommended holding period is based on the cost structure of the product and underlying HLM Funds recommended holding period.

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.

The Product offers a range of underlying investment options (“HLM Fund/s”) with risk classes ranging from 1 as the lowest and 5 as the highest. The risk and return of the investment varies on the basis of which HLM Fund/s you choose to invest in. Further details of the possible returns for each HLM Fund available can be found in the Key Information Document of Investment Options applicable to each HLM Fund. For early exit penalties refer to the section “How long should I hold it and can I take money out early?”

Since HSBC Life provides no guarantee regarding the capital or minimum performance, you assume the risk linked to the possible negative performance of the HLM Funds you choose to link your policy to, and you accept that the amount paid out upon liquidation of the investment may be worth less than the total amount of premiums that has been paid. Due to adverse market conditions, you may lose the total value of your investment.

Performance scenarios

The risk and returns on this product will be dependent upon which HLM Fund/s you choose. Further details of the possible returns for each HLM Fund available can be found in the Key Information Document (Investment options information) applicable to each HLM Fund. These can be found on the website detailed in the Product section of this document, via your Wealth Advisor or by requesting them from HSBC Life.

What happens if HSBC Life Assurance (Malta) Ltd. is unable to pay out?

A protection and compensation scheme is available to cover protected commitments arising from insurance policies. Such compensation shall be limited to the lesser of 75% of the value of the policy remaining unpaid at the time of insolvency, or € 23,293.75 whichever is the less, as prescribed in the Protection and Compensation Fund Regulation of 2004 as may be amended from time to time.

What are the costs?

The person advising on or selling you this 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 show 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 product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

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 | € 722 to € 922 | € 298 to € 1,950 |
| Annual cost impact (*) | 7.2 % to 9.2 % | 0.6 % to 2.8 % |

(*) 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 3.6 % before costs and 1.5 % after costs.

Composition of costs

| | | Annual cost impact if you exit after 5 years |
|--|--|---|
| One-off costs upon entry or exit | | |
| Entry costs | 2.15% of the amount you pay in when entering this investment. These costs are already included in the premiums you pay. This is the most you will be charged. The person selling you the product will inform you of the actual charge. | 0.4 % to 0.5 % |
| 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. | N/A |
| 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. | 0.1 % to 2.1 % |
| Transaction costs | 0.0 % to 0.5 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | 0.0 % to 0.5 % |
| Incidental costs taken under specific conditions | | |
| Performances fees and carried interest | There is no performance fee for this product. | 0 % |

The costs vary on the basis of the underlying Investment Options. Further details can be found in the Key Information Document (Investment Options Information) applicable to each HLM fund. These can be found on the website in the Product section of this document and our Wealth Advisors can help you choose the HLM Fund/s that match your investment objectives.

The first two switches between HLM Fund/s in a calendar year are free of charge, the third switch is subject to a € 50 charge and subsequent switches are subject to a charge of € 25 each. No switching charges have been included in the above tables.

How long should I hold it and can I take money out early?

Recommended holding period (RHP): 5 years

This product is designed for medium to long term investment (minimum of 5 years). The RHP has been established considering that investment in the HLM Funds need to be adequately held over the medium to long-term to generate good returns after charges. You may surrender part or all of the Product, but you will incur a penalty depending on when you choose to surrender, as indicated under the "What are the costs?" section.

If you cash in the Product before policy maturity, you will incur these surrender charges.

Surrender Charge (percentage of policy value):

- Year 1: 5%
- Year 2: 3%
- Year 3: 2%
- Year 4: 1%
- Year 5: 0.5%

No Charges from the 6th year onwards.

You have the right to cancel this Policy within thirty (30) days from receiving the Statutory Notice, by completing and returning the Notice of Cancellation to HSBC Life. In this case the Policy will be null and void. Any Premiums paid will be refunded in full subject to any reduction necessary to reflect downward movements in the Offer Price of Units allocated to Your Policy between the Commencement Date of the Policy and the next Valuation Date following receipt by the Company of such Notice of Cancellation. No benefit can be claimed under this Policy or any Additional Benefit/s once the Notice of Cancellation has been sent to Us. Any such Notice of Cancellation shall be irrevocable once sent.

How can I complain?

If You ever need further information, have concerns or wish to raise a complaint, You may do so in person, in writing or by phone as follows:

- at Our address: HSBC Life Assurance (Malta) Ltd, 80, Mill Street, Qormi. QRM 3101. Malta;
- at any HSBC Bank Malta p.l.c. branch;
- by sending a secure message through HSBC Bank Malta p.l.c. Online Banking;
- by sending an email on infomalta@hsbc.com;
- by calling HSBC Bank Malta p.l.c. Contact Centre on 2380 2380.

We will provide you with a definitive reply as soon as the relevant facts of the complaint have been investigated. In all cases we will provide periodical updates where a resolution is not available within 14 working days. If your complaint is not dealt with to your satisfaction, you can contact the Office of the Arbiter for Financial Services, N/S in Regional Road, Msida MSD1920, Malta or by visiting www.financialarbiter.org.mt. Complaints with the Arbiter for Financial Services' Office should always be made in writing. More information on complaints handling can be found on the website www.hsbc.com.mt/contact/feedback-and-complaints/.

Other relevant information

For further product specific details, refer to the product Brochure and Key Features Document (KFD), by visiting www.hsbc.com.mt under the 'Insurance Forms' section. A copy of the Policy Terms & Conditions (PT&Cs) and Policy Schedule are available on request free of charge from HSBC Life or HSBC Bank Malta p.l.c. The KFD and the PT&Cs set out the main features and clauses of the product and are required by the regulation. For information in relation to past performance for 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 historic performance scenarios can be found on the website <https://www.hsbc.com.mt/investments/key-information-documents/archive/>.

An annual statement will be issued as part of the post-contractual stage. When additional premiums are made, kindly refer to the latest Key Information Document on the website.

The actual performance of your investment may be different to the performance shown in the scenarios and you should not base your investment decision on the expectation that any of these scenarios will occur.

This Key Information Document only refers to the premium allocated towards the investment.