Insurance (Examples: Term plans, Investment linked insurance plans, Whole of life, Endowment)

Why you have selected this product

• Protection products are meant to cover shortfall in your / your dependent(s) protection needs against untimely death and critical illness.

• For level term plans, you desire to have constant insurance coverage as per the contracted term.

• For reducing sum assured plans you are looking for a reducing coverage on account of: your liabilities reducing over time (examples reducing loan obligation) or reduced coverage as costs decreased or dependency on your income reduces.

• For reducing sum assured there are two options a) Reduce by age 65 years or b) reduce by age 80 years. Your choice between the two reflects your dependents’ needs and/or your liabilities will reduce by the selected age.

• You choose a plan with a sum assured exceeding your shortfall only if you foresee your protection needs will increase in the future;

• You choose Investment Linked insurance plans for purpose of savings or growing your wealth and not protection, as the coverage is minimal. The underlying fund(s) selected by you should fit your investment strategy, choice of market, currency and sectoral preference.

Key risks that you must understand for purchasing in a product

• Taking up an insurance plan is a long term commitment and early termination or amendments can attract high pre-mature cancellation cost or loss of capital. In addition, your insurance coverage will be reduced and you may not be able to take up another plan with the same coverage at the same premium.

• Any changes in your country of residency may result in foreign currency exchange risks and foreign tax implications. In some cases it may mean you cannot continue with the insurance plan anymore. Please consult your tax consultant for more information on your tax obligations and how a change in your country of residency may impact you.

• Investment Linked insurance plan will be subjected to the risks of the underlying funds selected by you (including but not limited to risks arising from the markets, countries or sectors in which the sub-fund invests. You should consider underlying funds with the same risk rating as your risk profile to ensure suitability.

• You understand that the value of underlying funds in an Investment Linked insurance plan may rise or fall – previous track records may not be continued. You are aware that any past track records of dividend payout are not guaranteed.

Please refer to your Product Summary and the Acknowledgement Page for a full list of the risks that you must take note of.

Prior to placing the investment instruction with us, you should have read and understood the information in the product documents listed below which are made available to you by your Relationship Manager

• Customer Profile Form
• Benefit Illustration & Acknowledgement Page

• Product Summary

• Your Guide to Life Insurance

• Your Guide to Investment-Linked Insurance Plans and Product Highlight Sheet(s) for underlying fund(s) selected

^Not applicable if previous version has been provided within the past one year.

If you have purchased an Investment-Linked Insurance Plan, you will also receive:

• Your Guide to Investment-Linked Insurance Plans and Product Highlight Sheet(s) for underlying fund(s) selected

Please read all documents provided.

With HSBC’s 30-day Service Pledge, should you change your mind after purchasing any of our life insurance plans, speak to us within 30 days [from the date of inception of your plan] and we will refund all premiums paid. Please refer to our 30-day Service Pledge brochure for the terms and conditions.
Unit Trust (Excluding Liquid Alternative) (Examples: fixed income funds, Equity funds, multi asset funds)

Why you have selected this product

- The fund(s) selected by you should fit your investment strategy, choice of market, currency and sectoral preference.
- You choose fund(s) with regular dividend payouts, as you prefer to receive income (in the form of cash or investment units) instead of only relying on potential capital growth.

Key risks that you must understand for investing in a product

- You understand that the value of unit trust may rise or fall – previous track records may not be continued. You are aware that any past track records of dividend payout does not represent the future trend and is therefore not guaranteed.
- Any changes in your country of residency may result in foreign currency exchange risks and foreign tax implications. In some cases it may mean you cannot continue with the investment anymore. Please consult your tax consultant for more information on your tax obligations and how a change in your country of residency may impact you.
- In the event that the fund(s) selected is / are of higher risk rating than your risk profile, you are aware that you are taking a higher risk than what you may be comfortable with.
- Even though a fund may be in the currency of your preference, it could carry foreign exchange risk since the underlying investment may not be the same currency as the fund.

Please refer to the fund’s Product Highlight Sheet(s) for a full list of the risks that you must take note of.

Prior to placing the investment instruction with us, you should have read and understood the information in the product documents listed below which are made available to you by your Relationship Manager

- Customer Profile Form
- Transaction Form
- Prospectus
- Product Highlight Sheet
- Fund factsheet (Not applicable for newly launched)

*Not applicable if previous version has been provided within the past one year.

Please read all documents provided.

With HSBC’s 30-day Service Pledge, should you change your mind after purchasing any of our open-end authorized funds, speak to us within 30 days to cancel the purchase[and we will refund the initial sales charges paid] Please refer to our 30-day Service Pledge brochure for the terms and conditions.
**Liquid Alternative Unit Trust** *(Examples: multi asset liquid alt funds)*

**Why you have selected this product**
- You are looking at portfolio diversification (low correlation to traditional asset classes) using fund that have derivatives.
- You have a specific interest in alternative asset class.
- You have long time horizon typically 5 years or more.
- You have a higher risk appetite and are prepared to invest in a product which has a potential for a higher volatility and possibly higher returns.

**Key risks that you must understand for investing in this product**
- Alternatives use derivatives to achieve their investment objective which can result in long/ short positions which can cause higher volatility and potential drawdown in the investment.
- Liquid alternatives use leverage that can go as high as 500% or more. In an extreme scenario, investments made through derivative may cause the investor to lose his entire principal amount invested.
- Liquid alternative products may have liquidity issues in times of extreme crisis.
- Any changes in your country of residency may result in foreign currency exchange risks and foreign tax implications. In some cases it may mean you cannot continue with the investment anymore. Please consult your tax consultant for more information on your tax obligations and how a change in your country of residency may impact you.

Please refer to the fund’s Product Highlight Sheet(s) for a full list of the risks that you must take note of.

**Knowledge & Experience:**
Your choice of investment in liquid alternative is based on your confirmation prior to specific product discussion that:
1. Over the past 5 years, you have held alternative / liquid alternative funds, funds that invests in derivatives or structured products;
2. You are an experienced or knowledgeable investor who are confident to make investment decisions on the above strategies/vehicle;
3. You understand the following that are generally relevant for investing in liquid alternatives:
   - Use of derivatives which may result in leverage and long/ short positions
   - Volatility and potential drawdown
   - Concept of risk-adjusted return, correlation

Prior to placing the investment instruction with us, you should have read and understood the information in the product documents listed below which are made available to you by your Relationship Manager

- Customer Profile Form
- Prospectus
- Transaction Form
- Product Highlight Sheet
- Fund factsheet (Not applicable for newly launched)

^Not applicable if previous version has been provided within the past one year.

Please read all documents provided.

With HSBC’s 30-day Service Pledge, should you change your mind after purchasing alternative/liquid alternative fund funds, speak to us within 30 days [to cancel the purchase and we will refund the initial sales charges paid]. Please refer to our 30-day Service Pledge brochure for the terms and conditions.
Structured Products (Examples, Structured Deposit, Structured Notes, Equity linked notes)

Why you have selected this product

- The specific structured product, including the underlying, selected by you should fit your investment strategy, choice of underlying market, currency and payoff preference.
- You should be familiar with the underlying and willing to hold them in the event of a conversion, if the underlying is shares.

Key risks that you must understand for investing in a product

- Even though a Structured product may be aiming to provide 100% capital on maturity, it is subject to capital risk if the Structured product is terminated before maturity.
- You are aware that for Notes that do not aim to return capital at maturity, you may end up with the selected underlying security upon maturity. And the value of these securities can lead to a full capital loss in extreme scenarios.
- Any changes in your country of residency may result in foreign currency exchange risks and foreign tax implications. In some cases it may mean you cannot continue with the investment anymore. Please consult your tax consultant for more information on your tax obligations and how a change in your country of residency may impact you.
- In the event that the Note(s) selected is / are of higher risk rating than your risk profile, you are aware that you are taking a higher risk than what you may be comfortable with.

Please refer to the Risk Disclosures section in the All-In-One Document (AIOD) for a full list of the risks that you must take note of.

Prior to placing the investment instruction with us, you should have read and understood the information in the product documents listed below which are made available to you by your Relationship Manager

- Customer Profile Form
- All-In-One Document (AIOD)
- Transaction Form
Bonds

Why you have selected this product
- You are looking for a regular return/payout from your investment.
- You want an investment that can provide 100% principle on maturity; and whilst you understand that the bond maybe subjected to the credit and default risk, you believe in the credibility of the issuer.

Key risks that you must understand for investing in a product
- Bonds are for medium to long term investment and not for short term speculation.
- Interest coupon and principal amount at maturity is subject to the credit risk and default risk of the Issuer.
- Credit ratings assigned by credit rating agencies may not reflect all of the risks related to the Bonds and the Issuer.
- Bond prices typically moves in the opposite direction to a change in interest rates. You may realize capital loss if you choose to sell the bond before maturity when interest rate rises (i.e. bond value may decrease).
- The value of cash flows in terms of their purchasing power will decrease in times of inflation as the payments of a bond (with the exception of Floating Rate Notes) are fixed during the tenor of the bond.
- HSBC may, but is not obliged to repurchase Bond from you based on the prevailing market conditions.
- Factors affecting the market price of the Bonds include, but are not limited to, fluctuations in interest rates, credit spreads, and liquidity premiums.
- Foreign currency denominated bonds may be exposed to foreign exchange risk upon conversion to your home currency.

Additional Risk Factors for Callable Bonds
- The Issuer have the right (but not the obligation) to early redeem Bonds prior to maturity date.
- You may incur substantial loss and may not be able to reinvest the amount received at the same return.

Additional Risk Factors for Unrated Bonds
- These are Bonds issued without a credit rating by any credit rating agencies and you may need to assess the credit risks associated with the issuer on your own.
- Generally unrated Bonds have small issue size in the market and carry higher risk of default, liquidity, volatility, vulnerability to economic cycles and non-payment of principal and coupon.

Additional Risk Factors for High Yield/ Below Investment Grade Bonds/ Non-Investment Grade Bonds
- Non-investment grade bonds are rated below BBB- or Baa3 by established rating agencies and some unrated bonds may be high yield.
- Non-investment grade bonds typically carry higher risk of default, liquidity, volatility, vulnerability to economic cycles and nonpayment of principal and coupon.

Additional Risk Factors for Bail-In Bonds
- All or part of the bonds may be cancelled or converted into shares (or other instruments), or their terms may be changed, by the relevant authorities if the Issuer starts to face difficulties in its operations or performance of its functions. You may lose all your investment in the bonds. Please read the risk factors in the offering document of the bonds carefully.

Concentration of Non-Investment Grade Bonds in your Portfolio
- High concentration of non-investment grade bond investments over liquid investment portfolio is not advisable. General rule of thumb of more than 20% of non-investment grade bonds over liquid assets declared will pose a higher risk.
Prior to placing the investment instruction with us, you should have read and understood the information in the product documents listed below which are made available to you by your Relationship Manager:

- Customer Profile Form
- Transaction Form
- Bond Information Sheet

*Not applicable if previous version has been provided within the past one year

For full details of the risks applicable to Bonds, please refer to the risk disclosures set out in the Bank’s Investment Account Opening Booklet and/or the relevant offering document.

You should ensure regular portfolio review to keep up to date with the latest credit quality of the bonds held and its concentration in one’s portfolio.
Dual Currency Plus (DCP)

Why you have selected this product

- You are indifferent towards foreign currency risk as both the currency pair will be of use to you.
- You have investment views in FX and want to use DCP for this investment purpose.

Key risks that you must understand before purchasing this product

1. Nature of Product
   The DCP is a dual currency investment product that offers me/us the potential to earn higher returns through investing in a currency-linked option. By selecting a currency pair I/we are comfortable with and indifferent to holding, it allows me/us to take advantage of exchange rate movements to earn potentially higher returns. In exchange for this enhanced return, I/we will give the Bank the right to repay my/our investment and return in either the base or linked currency at maturity depending on exchange rate movements in respect of the currency pair. Where the proceeds are repayable in the linked currency, the principal and return on investment (calculated in the base currency) are converted to the linked currency at a pre-agreed conversion rate.

2. Early Withdrawal
   The tenor of the DCP is fixed. I/We will receive the principal sum and return on investment (in the base or linked currency) in full only if the DCP is held to maturity. I/We cannot terminate or withdraw the DCP prior to maturity without the consent of the Bank. In the event that the Bank gives such consent, the Bank may impose such conditions as it may determine.

3. Risks
   The DCP is inherently speculative in nature and carry risks. In particular:
   - Foreign currency risk
     Foreign currency market movements are unpredictable and may result in my/our receiving on maturity of the DCP an amount in the linked currency which, if converted at the prevailing exchange rate back to my/our original base currency, is less than the amount of the base currency initially invested.
   - Country Risk
     I/We may also suffer a loss as a result of foreign exchange controls imposed by the country issuing the foreign currency paid. Repayment or payment of amounts due to me/us may be delayed or prevented by exchange controls or other actions imposed by governmental or regulatory bodies.

4. Reliability of Information
   I/We understand that the Bank’s market views, if given (whether express or implied), are based on information believed to be reliable at that time. I/We will not hold the Bank responsible or liable if actual market movements adversely affect my/our investment in DCP.

5. Final Term Sheet
   Upon my/our agreement to proceed with the transaction, a final term sheet setting out the confirmed terms of the transaction entered will be sent to me/us. I/We agree that the final term sheet shall be conclusive of the terms of the transaction entered by me/us and shall be binding on me/us.

6. Changes in residency
   Any changes in your country of residency may result in foreign currency exchange risks and foreign tax implications. In some cases it may mean you cannot continue with the investment anymore. Please consult your tax consultant for more information on your tax obligations and how a change in your country of residency may impact you.

Prior to placing the investment instruction with us, you should have read and understood the information in the product documents listed below which are made available to you by your Relationship Manager

- Product Sheet
- DCP Terms and Conditions
- Customer Profile Form
- Customer Profile Form
- Term Sheet
- DCP Risk Disclosure Form

*Not applicable if previous version has been provided within the past one year
Not applicable for renewal

Effective August 2018