Universal Life Insurance

Goal Access Universal Life Plan (Education)

HSBC Life (International) Limited

HSBC Insurance

HSBC Life (International) Limited

HSBC Life (International) Limited ("the Company") is incorporated in Bermuda with limited liability, and is one of the HSBC Group's insurance underwriting subsidiaries.

Registered office
6 Front Street, Hamilton HM11, Bermuda

Hong Kong SAR office
18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong

The Company is authorised and regulated by the Insurance Authority (IA) to carry on long-term insurance business in the Hong Kong SAR.

Goal Access Universal Life Plan (Education) is underwritten by the Company.

The Hongkong and Shanghai Banking Corporation Limited (referred to as "HSBC") is an insurance agent of the Company. This product is a product of the Company but not HSBC and it is intended only for sale in the Hong Kong SAR.

For monetary disputes arising between HSBC and you out of the selling process or processing of the related transaction, HSBC will enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the product should be resolved between the Company and you directly.

The Company accepts full responsibility for the accuracy of the information contained in the product brochure and confirms, having made all the reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading. The information shown therein is intended as a general summary. Please refer to your insurance policy for the detailed terms and conditions.

June 2017

Shaping the foundation for your child's future

As a loving parent, we all want to give our child the best education we can. To achieve this, it is essential to build up sufficient funds to cover the ever rising school fees, and to have the financial flexibility to accommodate the child's changing needs and expenses such as study trips and talent classes.

With **Goal Access Universal Life Plan (Education) ("the Plan" or the "Policy"),** you can ensure life protection for your child while building up a fund for your child's education plan.

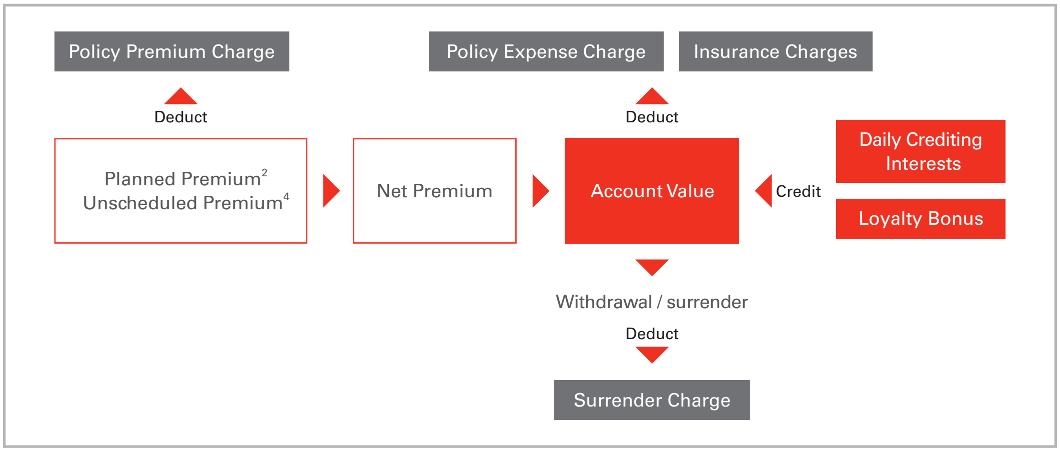
How does the Goal Access Universal Life Plan (Education) work?

The Plan is a long term universal life insurance plan with savings elements which includes a life insurance cover for your child throughout the policy term and helps you plan your child's education fund effectively until your child is 22 years old.

Furthermore, interests at a non-guaranteed General Crediting Interest Rate, which is declared by us from time to time, will be credited into the Account Value on a daily basis. The Plan also gives you the flexibility to partially withdraw[1] cash from your Policy and adjust the Sum Insured[1] to cope with yours and your child's changing needs. Additionally, at maturity, your child has the privilege to apply for a new whole life insurance plan or an endowment insurance plan (subject to availability) to continue the protection.

The Plan is not equivalent or similar to any kind of deposit.

How does the Plan work?



Notes:

i. When you pay Planned Premium[2] or Unscheduled Premium[4], an upfront Policy Premium Charge is deducted and the net premium amount would accumulate as the Account Value.

ii. Policy Expense Charge and Insurance Charge are deducted from the Account Value on a monthly basis.

iii. An increase in Sum Insured is subject to underwriting and an increase in the Policy Expense Charge and Insurance Charge. Such increase in Sum Insured is subject to minimum and maximum amounts as determined by the Company from time to time.

iv. A decrease in Sum Insured[1] is subject to a minimum remaining Sum Insured being maintained under the Policy, as determined by the Company from time to time. Reduction in Sum Insured[1] is also subject to applicable Surrender Charge.

v. Interests according to the prevailing General Crediting Interest Rate are credited to the Account Value on a daily basis. The General Crediting Interest Rate, though it is not guaranteed and may vary while your Policy is in-force, will not be less than the Guaranteed Minimum Crediting Interest Rate.

vi. You may access the Account Value by withdrawal which is subject to applicable Surrender Charge in the first eight policy years. The Account Value will also be paid out upon policy surrender (subject to applicable Surrender Charge in the first eight policy years) or upon policy maturity.

vii. Loyalty Bonus will be credited to the Account Value of the Policy when the Policy matures.

What can you get during the policy term?

Potential returns on your child's education funds

- The Plan offers potential returns for your child's education fund, with crediting interest rate (if any) credited to the Account Value on a daily basis.
- When the Policy matures, a loyalty bonus, will be credited to the Account Value of your Policy to further enhance the value of your savings.

Flexibility for your evolving needs

As you reach your saving targets, your child's circumstances and financial needs may change and the Plan gives you that flexibility to adapt to your changing needs in several ways:

- Whether it is regular or single premium, you can adapt to your changing protection needs by **increasing or decreasing the Sum Insured**[1].
- You may choose to pay the **Planned Premium**[2] monthly[3] or annually over 5 years, or in one lump sum as a single premium.
- **Unscheduled Premium**[4] can be made when you have extra cash to earn potential returns from the Account Value of your Policy.
- Should you need money for unexpected events, you may **withdraw cash**[1] from the Account Value of your Policy after a defined period depending on the premium payment frequency.

Initiating a continued protection for your child

During the policy term, the Plan will also initiate a life protection for your child with the payment of the Death Benefit in the unfortunate event of the insured child passes away. When your child reaches the age[5] of 22, the plan has a **Maturity Privilege** option allowing your child to continue his protection and to apply for a new whole life insurance plan or an endowment insurance plan (subject to availability) without the need for medical check-ups or other medical underwriting requirements.

How much protection can the Plan provide?

Life protection*

In the unfortunate event of the Life Insured's death while your Policy is in-force, the Plan provides a Death Benefit equivalent to the higher of:

- the amount of the Sum Insured less any withdrawal amount (before any Surrender Charge) which is made from the 12 months preceding the date of death of the Life Insured to the claim approval date; or
- the Account Value,
  less any outstanding charges.

Extra protection embedded in your basic plan

The following benefits are embedded in your basic plan with no additional premium required:

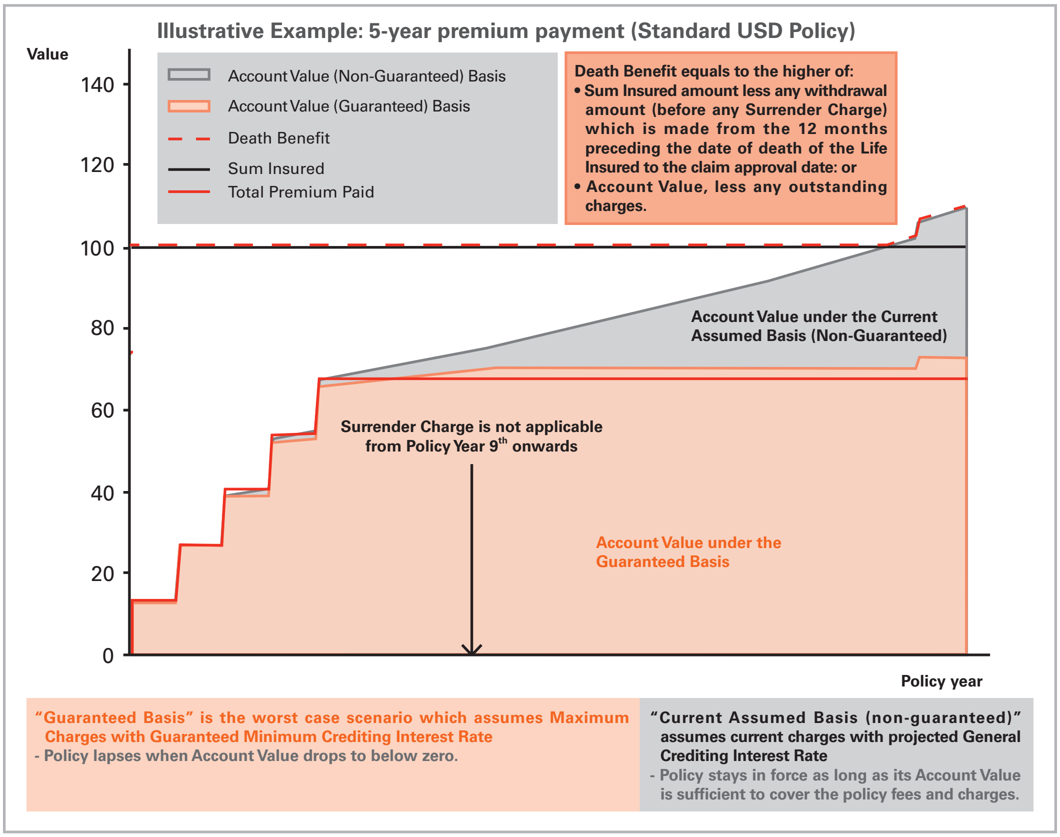
- **Payor's Benefit[6]**– In the unfortunate event that if you become disabled for 183 days or if you were to pass away before the age[5] of 65, the Company will pay the future outstanding Planned Premiums[2] under the Policy on your behalf until your full recovery or until the end of the premium payment period (whichever comes first).
- **Terminal Illness Benefit[7]**– If the Life Insured is diagnosed with a terminal illness and such illness is likely to result in death within 365 days from the date of notification, the Death Benefit will be paid in advance to cope with the changed needs, upon receipt of necessary written proof of claim by the Company. (The Policy will be terminated after the Death Benefit has been paid).

Please refer to the respective Supplementary Benefits' provisions for detailed terms and conditions of the Supplementary Benefits.

Please refer to Product Summary and Policy Provisions for details.

* If the Life Insured commits suicide within one year of policy issuance, whether sane or insane, our liability will be limited to the amount of premiums paid to us less any amount paid by us to you. Please refer to Policy Provisions for detailed terms and conditions.

Illustrative Example



Important Notes:

i. The illustrative example is for reference only and the graph is not shown in scale.

ii. The example is illustrated based on the assumption that the Policy is bought to cover the life of a male non-smoker, with Insurance Age[8] 5, who has chosen a 5-year premium payment period. It also assumes that there is no change to the Policy after inception.

iii. The Account Value under the Guaranteed Basis may not be able to cover the applicable policy fees and charges. If the Account Value drops to zero or less, the Policy may lapse.

iv. Actual Account Value and Death Benefit vary case by case depending on the prevailing General Crediting Interest Rate and applicable policy charges. The actual future Account Value may be lower or higher than that illustrated above.

Product Summary

	Goal Access Universal Life Plan (Education)
Issue Age	For individual Policyholder, the issue Insurance Age[8] of the Life Insured is between 15 days after birth to Insurance Age[8] of 10
Policy Term	Up to the age[5] of 22, assuming all Planned Premiums[2] are paid when due and the Account Value is sufficient to cover the policy charges.
Policy Currency	USD
Premium Payment Period	5 years or single premium
Premium Payment Method	For Planned Premiums[2], either: Single premium; or Monthly[3] or annual payment, through: • HSBC bank account; or • Cheque; or • HSBC credit card (not applicable to single premium) Unscheduled Premium[4] can be made at any time while this Policy is in force and it is subject to the minimum and maximum amounts which are determined by the Company from time to time.

Type of Premiums Payment	
Planned Premium[2]	• All Planned Premiums[2] must be paid in accordance with the premium payment period selected upon policy application. (At the outset, you will know exactly how much Planned Premiums[2] you have to pay into your Policy.) • The Planned Premium[2] will be allocated to the Account Value after deduction of the Policy Premium Charge. • The Policy will lapse when the Planned Premium[2] has been overdue for 65 consecutive calendar days. Any outstanding Planned Premiums[2] must be paid before any benefits are payable under the Policy.

Unscheduled Premium[4]	• Unscheduled Premiums[4] can be contributed to the Policy while the Policy is in-force. It is subject to the minimum[4] and maximum[4] amounts which are determined by the Company from time to time. The acceptance of the Unscheduled Premium[4] is at the Company's discretion. • Unscheduled Premiums[4] will be allocated to the Account Value after deduction of the Policy's premium charge.

Benefits and features	
Maturity Benefit	Account Value less outstanding charges (if any)
Surrender Benefit	Account Value less Surrender Charge (if applicable)
Maturity Privilege	When the Plan matures as child reaches the age[5] of 22, child can apply the maturity privilege within 30 days after the maturity of the current Policy for a new whole life insurance plan or an endowment insurance plan (subject to availability) without going through underwriting.
Death Benefit	The higher of: • Sum Insured amount less any withdrawal amount (before any Surrender Charge) which is made from the 12 months preceding the date of death of the Life Insured to the claim approval date; or • Account Value, less any outstanding charges. The Account Value is determined on the date of the written notification of the Life Insured's death being received by the Company.
Adjustable Sum Insured	For a regular premium policy, the Sum Insured can be adjusted after the end of the premium payment period. For a single premium policy, the Sum Insured can be adjusted on or after the first Policy Anniversary. Notes: - Increasing the Sum Insured is subject to (i) underwriting; and (ii) an increase in the Policy Expense Charge and Insurance Charge. For details, please refer to "Policy Expense Charge" and "Insurance Charge" under the section "Details of Charges." - Reducing the Sum Insured may induce Surrender Charge. For details, please refer to "Surrender Charge" under the section "Details of Charges."

Withdrawal	For a regular premium policy, withdrawal from the Account Value of the Policy can be made after the end of the premium payment period. For a single premium policy, withdrawal from the Account Value of the Policy can be made on or after the first Policy Anniversary. Withdrawals are subject to (i) a Surrender Charge applicable in the first eight policy years; (ii) a minimum amount of USD625 per withdrawal; and (iii) a minimum Account Value balance of USD2,500 after withdrawal. Withdrawals will reduce the Account Value which may reduce the Death Benefit and increase the chance of policy lapses. The Policy will lapse when the Account Value is not sufficient to cover the policy charges for 45 consecutive calendar days.
General Crediting Interest Rate	Daily interests are accrued in the Account Value based on the General Crediting Interest Rate declared by the Company from time to time. The General Crediting Interest Rate, though it is not guaranteed and may vary while your Policy is in force, will not be less than the Guaranteed Minimum Crediting Interest Rate .
Guaranteed Minimum Crediting Interest Rate	2% p.a. for the first eight policy years and 0% p.a. thereafter.
Loyalty Bonus	The Loyalty Bonus will be distributed to the Account Value of the Policy when the Policy matures. Loyalty Bonus = Loyalty Bonus Rate x average Account Value of the past 60 policy months before the Policy maturity. The average Account Value is the average of all Account Values on the last day of each of the past 60 policy months before Policy maturity. For example: • For issue age 1, the average Account Value is the average of all Account Values on the last day of each policy month between the 193rd and 252nd policy months (both months are inclusive). • For issue age 8, the average Account Value is the average of all Account Values on the last day of each policy month between the 109th and 168th policy months (both months are inclusive).

<table>
<tr>
<td></td>
<td>The Loyalty Bonus rate is determined by the issue age. The Loyalty Bonus rates for different issue ages are as follows:
<table>
<tr><th>Issue Age</th><th>Loyalty Bonus Rate</th></tr>
<tr><td>1</td><td>5%</td></tr>
<tr><td>2</td><td>4.75%</td></tr>
<tr><td>3</td><td>4.5%</td></tr>
<tr><td>4</td><td>4.25%</td></tr>
<tr><td>5</td><td>4%</td></tr>
<tr><td>6</td><td>3.75%</td></tr>
<tr><td>7</td><td>3.5%</td></tr>
<tr><td>8</td><td>3.25%</td></tr>
<tr><td>9</td><td>3%</td></tr>
<tr><td>10</td><td>2.75%</td></tr>
</table>
</td>
</tr>
<tr>
<td>Embedded Supplementary Benefits (no additional premiums required)</td>
<td>1.Terminal Illness Benefit[7]
2.Payor's Benefit[6]*
* not applicable to single premium Policy.</td>
</tr>
</table>

The content in this summary is for reference only. Please refer to policy provisions of the Basic Plan for details.

Details of Fees and Charges

Charges	Applicable Rate and Details	Charged from
Policy Premium Charge	6% applied to all Planned Premiums[2] and Unscheduled Premiums[4] paid before such premiums are allocated to the Account Value of your Policy.	All premium paid into your Policy
Policy Expense Charge	0.053 per 1,000 Sum Insured per month for the first eight Policy Years only. The Company reserves the right to increase this charge at any time, but to no more than 125% of the amount shown above.	Account Value
Insurance Charge	The Insurance Charge per month is calculated as follows: Sum at Risk/1,000 x Monthly Cost of Insurance Rates The Sum at Risk is calculated as: A – B where, A is the Sum Insured less any withdrawal amount (before any Surrender Charge) made in the 12 months preceding or on the relative Monthiversary, subject to a minimum of 0; and B is the Account Value. The cost of insurance rates varies by age, gender, underwriting class and country of residency.	Account Value

	A full list of standard monthly cost of insurance rates can be found in your proposal illustration. The Company reserves the right to increase the cost of insurance rates at any time, but to no more than 150% of the standard rates.	
Surrender Charge	A Surrender Charge is payable in the following situations: 1. Surrender and Lapse: Surrender Charge rate x Account Value 2. Withdrawal: Surrender Charge rate x withdrawal amount 3. Reduce Sum Insured: Account Value x Surrender Charge rate x percentage of reduction in Sum Insured	Account Value/withdrawal before the remaining amount is returned to you
	Surrender Charge rates are set out in the table below:	

During Policy year	Surrender Charge rate	
	Single premium	5-year premium payment
1	12%	55%
2	11%	22%
3	10%	15%
4	8%	10%
5	6%	6%
6	4%	4%
7	2%	2%
8	1%	1%
9 and thereather	0%	0%

For details of the applicable charges, please refer to your proposal illustrations and policy provisions.

Important Notes

Cooling-off Period

The Plan is a long term universal life insurance plan with savings elements. Part of the premium pays for the Insurance and related cost including but not limited to policy acquisition, maintenance and claims costs. If you are not satisfied with the Policy, you have a right to cancel it and obtain a refund of any premium(s) paid, by giving written notice. To cancel, you must sign on such notice, return the Policy (if received) and ensure that such notice and the Policy must be received directly by the office of HSBC Life (International) Limited at 18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong within the Cooling-off Period (that is, 21 days after the delivery of the Policy or issue of a notice informing the availability of the Policy to you or your representative, whichever is the earlier). After the expiration of the Cooling-off Period, if you cancel the Policy before the end of the policy term, the Account Value you may receive may be less than the total premium you have paid.

Suicide

If the Life Insured commits suicide within one year of policy issuance or from the effective date of reinstatement (whichever is the latest), whether sane or insane, the Company's liability will be limited to the amount of premiums paid to the Company less any amount paid by the Company to you since the Policy Date. If the Life Insured commits suicide, whether sane or insane, within one year of the date of any increase in Sum Insured, such increase in Sum Insured will be deemed not to have taken effect in determining the Death Benefit payable and any additional premiums or charges arising as a consequence of the increase in Sum Insured shall be reversed. Please refer to Policy Provisions of the Basic Plan for detailed terms and conditions.

Eligibility

The Plan is generally available to anyone with Insurance Age[8] of 15 days after birth to 10. The plan is subject to the relevant requirements on nationality and/or addresses of the Policyholder and/or Life Insured as determined by the Company from time to time.

Policy currency

The Plan is available in US dollars (USD) and both premiums and benefits will be paid in the selected currency. If the premium payments are paid in currencies other than the Policy Currency(ies), the premium payments would be subject to change according to the prevailing exchange rate of Policy Currency(ies) to payment currency(ies) to be determined by the Company from time to time; likewise any payments settled in currencies other than the Policy Currency(ies) would be subject to change according to the prevailing exchange rate of Policy Currency(ies) to payment currency(ies) to be determined by the Company from time to time. The fluctuation in exchange rates may have impact on the amount of payments including but not limited to premium payments and benefit payments.

Tax reporting and financial crime

The Company and other members of the HSBC Group have certain obligations to Hong Kong and foreign legal or regulatory bodies and government or tax authorities regarding you and your Policy and the Company may from time to time request information from you in relation to these obligations. There are consequences, which will be set out in your policy terms, if you fail to provide to the Company information that is requested from you or if you present a financial crime risk to a member of the HSBC Group. Such consequences include that the Company may:

- take such actions as are necessary to enable it or a member of the HSBC Group to meet its obligations;
- be unable to provide new, or continue to provide all of the services to you;
- be required to withhold payments or benefits that would otherwise be due to you or your Policy and permanently pay those over to tax authorities; and
- terminate your Policy.

The amount you get back in the event of benefits or payments withholding and/or policy termination by the Company as mentioned above plus the total amount that you have received from the Policy (if any) before policy termination may be less than the amount of the premium(s) you have paid. The Company recommends that you seek your own independent professional advice on your tax liabilities.

Taxation

You should consult your own professional advisors for tax position in relation to your Policy.

Missing payment of premium

In order to keep the Policy in force, you must pay all Planned Premiums[2] when due and the Account Value must be sufficient to cover the policy charges. Your Policy will lapse when the Account Value is not sufficient to cover policy charges for 45 consecutive calendar days or when Planned Premiums[2] have been overdue for 65 consecutive calendar days. To avoid policy lapses, you should pay all Planned Premiums[2] when due and ensure that the Account Value is sufficient to cover policy charges.

Termination Condition

The Company has the right to terminate the Policy under any of the following circumstances,

- If the Account Value is negative for 45 consecutive calendar days while the Policy is in force; or
- If you are unable to pay the Planned Premium[2] for 65 consecutive calendar days from its due date; or
- If the Company has the right to terminate pursuant to the terms of any Supplementary Benefits; or
- The Company reasonably considers that by continuing the Policy or the relationship with you the Company may break any laws or the Company, or a member of the HSBC Group, may be exposed to action censure from any authority.

Please refer to policy provisions and relevant supplementary benefit provisions (if applicable) for detailed terms and conditions on termination.

Applicable law

The laws governing the Policy are the laws of Bermuda. However, in the event of any dispute arising in the Hong Kong SAR, the non-exclusive jurisdiction of the Hong Kong SAR courts will apply.

Key Risks

Credit and insolvency risks

The Plan is an insurance policy issued by the Company. You are subject to the credit risk of the Company. Your premiums paid will form part of the Company's assets. You do not have any rights or ownership over any of those assets. Your recourse is against the Company only.

Non-guaranteed benefit

The amount of benefit you will get upon policy surrender or death of the Life Insured is uncertain as the entitlement amount depends on the prevailing Account Value of your Policy, which will be increased as credit interest earned and Loyalty Bonus paid and will be decreased as applicable policy charges deducted.

The General Crediting Interest Rate is not guaranteed and is determined at the discretion of the Company. The General Crediting Interest Rate, which applies to each Policy, depends on the investment returns on the underlying assets supporting the policies, as well as other factors, including but not limited to claims, lapse experience, expenses and the long term future investment returns outlook. If the investment returns over the long term are better than expected, then the General Crediting Interest Rate would increase and if the investment returns are worse than expected, then the General Crediting Interest Rate would reduce. The key risk factors are further described below:

> **Investment risk factors** – The investment performance of the assets supporting the policies is subject to various market risk factors including but not limited to:
>
> - Interest rate risks – The risk that the values of assets and the interest earnings will be affected by the change of interest rate level and its outlook, and lead to investment loss.
> - Credit risk – The risk of investment losses due to the default or change in credit rating of issuers of debt securities or counterparties.
> - Currency risk – The risk that the values of investments that are in other currencies different from the Policy Currency will be affected by the change of exchange rates.

> **Claims factor** – The actual experience of mortality and morbidity is uncertain which may lead to a higher than expected claim or living benefit payment and result in worse performance.

> **Persistency factor** – The actual experience of policy surrender (full or partial) and policy lapse is uncertain, and therefore it has impacts on both the current performance and future return of the portfolio of the policies.

- **Expense factor –** The actual amount of expenses incurred and apportioned to the group of policies may be higher than expected and impact the overall performance of the product. The expenses may include direct expenses which are specifically related to the group of policies, such as commission, underwriting, policy acquisition and maintenance expenses. It may also include indirect expenses such as general overhead costs which will be allocated to the group of policies.

Still, the General Crediting Interest Rate is subject to a Guaranteed Minimum Crediting Interest Rate depending on the policy year as determined by the Company at the time when the Policy is issued.

Moreover, the rates of Policy Expense Charge and Insurance Charge, may be increased at the discretion of the Company. The maximum amount will be 125% of the current scale of Policy Expense Charge and 150% of the current scale of Insurance Charge respectively for the Basic Plan. In the situation where the General Crediting Interest Rate fluctuates or Policy Expense Charge or Insurance Charge increases, there is a risk that the interest generated under the Policy is unable to cover the policy charges, and lead to 1) Surrender Value less than total premium paid and 2) policy lapses and 3) shorter life protection period. During the whole policy term, your Policy may be terminated if the total Account Value is not sufficient to cover all applicable charges. You could lose all your premiums paid and benefits accrued if any condition of early termination is triggered.

Risks from the delay or missing the payment of premiums due

You should pay the premium for the entire premium payment period. Any delay in or missing of the payment of Planned Premium[2] due may lead to a lower Account Value, Surrender Value, and Death Benefits, resulting in potential policy lapses and a shorter life protection period.

Loss of life protection/Death Benefit

Loss of life protection/Death Benefit when the Account Value is not sufficient to cover policy charges for 45 consecutive calendar days or when Planned Premium[2] has been overdue for 65 consecutive calendar days.

Risks from withdrawal[1]

For a Policy where a withdrawal has been performed, there is a risk that the interest generated is unable to cover the policy charges for the remaining balance of the Account Value after withdrawal, and lead to 1) a reduction in Death Benefit and 2) Policy lapses and 3) a shorter life protection period.

Risks from surrender

Surrender Charge applies during the first 8 Policy Years. For a Policy being surrendered in the early years, the surrender proceeds to be received under the Policy may be significantly less than the premiums paid and you could lose all your premiums paid in the worst scenario. You may surrender (i.e. terminate) the Policy at any time by submitting a written request in the form specified by the Company which is available at www.hsbc.com.hk.

Liquidity risk

This Policy is designed to be held for a long term period. Should you have liquidity needs for any unexpected events, you may apply for surrender or withdrawal but the amount available for withdrawal is not guaranteed. However, it is subject to the respective policy terms and conditions, and may induce other risks as mentioned in the above "Risks from withdrawal" and "Risks from surrender".

Inflation risk

Cost of living is likely to be higher in the future than it is today, due to inflation, therefore you or your assigned Beneficiary(ies) may receive less from the Policy in real terms in the future even if the Company meets all of its contractual obligations.

Policy currency risk

You are subject to exchange rate risks for plans denominated in currencies other than local currency. Exchange rate fluctuates from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of the exchange rate fluctuation.

Risks from assigning your Policy

If your Policy is assigned to a lender (I.e. assignee) as collateral:

- You will be subject to interest rate risk, which may increase costs of serving the loan and risk of default in repaying the loan. Upon repayment default or failure to repay the loan under the relevant assignment or loan agreement or other facility agreements of similar nature, the Assignee may exercise the right to surrender the Policy on your behalf. You may lose the life coverage and other benefits as a result.
- The Company will pay the Death Benefit or other protection amount first to the Assignee (unless otherwise advised by the Assignee) and any remaining balance of Death Benefit or other protection amount to the Policyholder or Beneficiary (as the case may be).
- You may also face the risk of policy information and personal data being released to the assignee.

Philosophy in Deciding the General Crediting Interest Rates and Investment Philosophy

Philosophy in deciding the General Crediting Interest Rates

The General Crediting Interest Rate is different by Policy Currency and product series. The rates are regularly reviewed by the Company at its discretion. The Company will inform Policyholders of any change of the General Crediting Interest Rates of their policies.

When determining the General Crediting Interest Rate, which applies to each Policy, the Company considers the investment returns on the underlying assets supporting the policies, as well as other factors, including but not limited to claims, lapse experience, expenses and the long term future investment returns outlook. If the investment returns over the long term are better than expected, then the General Crediting Interest Rate would increase and if the investment returns are worse than expected, then the General Crediting Interest Rate would reduce.

The investment returns on Goal Access Universal Life underlying portfolios include interest earnings as well as losses or gains realised upon the disposal of assets or asset impairments. The claims include the cost of providing the Death Benefit and other insured benefits under Goal Access Universal Life policies. The surrenders include total and partial surrenders, and their corresponding impact on investments. The investment returns on Goal Access Universal Life underlying portfolios are not guaranteed.

In order to ensure that discretion exercised when defining the General Crediting Interest Rates is fair to all Policyholders, and that any conflicting interests of Policyholders with other Policyholders and/or shareholders have been addressed having due regard to the fair treatment of Policyholders, the Company established a dedicated committee providing independent advice on the management of the universal life insurance products business.

Investment policy and strategy

The Company maintains a prudent approach to investing for the Goal Access Universal Life underlying portfolios, with the primary goal being the delivery of long term value to Policyholders.

The underlying assets of Goal Access Universal Life products are managed under a portfolio of assets denominated in USD and invested in different geographical markets (mainly US, Asia and Europe).

The portfolio is invested in corporate and government bonds under pre-determined diversification and rating objectives. The current long term investment strategy is to invest in diversified long term investment grade bonds rated BBB- or above. Unrated bonds may also be considered if they fit the Company's risk appetite profile. However, the Goal Access Universal Life underlying portfolios are conservatively positioned to limit the exposure to unrated bonds. The bonds are held by the Company to maturity in order to match its long term liabilities. Subject to our investment policy, derivatives may be utilised to manage our investment risk exposure, for matching between assets and liabilities and for efficient portfolio management.

The Policy in determining the General Crediting Interest Rates may be reviewed and adjusted by the Company from time to time. For more updated information, please visit our website [https://www.personal.hsbc.com.hk/1/2/hk/insurance/life/detail#policy]. You may also visit the above website to understand the Company's historic crediting interest rates for reference purposes. The past performance or current performance of the Company's business may not be a guide for future performances.

Endnotes

1 Reduction in Sum Insured and cash withdrawal are subject to a Surrender Charge in the first eight Policy Years. Please refer to "Surrender Charge" under "Details of Fees and Charges" for details.

2 The Planned Premium is determined according to the age and gender of the Life Insured, Sum Insured, payment term, Policy Currency and a variety of health and lifestyle factors. All Planned Premiums must be paid during the premium payment period selected upon Policy application.

3 For the 5-year premium payment arrangement, if you choose to pay your Planned Premiums[2] monthly for a Policy Year, the total Planned Premiums[2] payable under the monthly payment mode for that Policy Year will be higher than that payable under the annual payment mode.

4 The minimum (USD625) and maximum amount (as determined by the Company from time to time) of Unscheduled Premiums per transaction are subject to change by the Company from time to time. The Company reserves the right to refuse, reduce or limit the number or amount of such Unscheduled Premiums payments in any Policy Years except as required to keep this Policy in force.

5 The Policy Anniversary at which you reach the specified age based on age at next birthday.

6 Payor's Benefit is applicable to Policyholder with Insurance Age[8] 19 to 60 who is the holder of the Hong Kong Identity Card or Macau Identity Card. This benefit will terminate upon the Policy Anniversary at which the Policyholder's age[5] at next birthday is 65 or the Life Insured's age[5] at next birthday is 22 or the Policy is terminated or paid up (whichever is the earliest). This benefit is not applicable for single premium policies. Please refer to the relevant supplementary benefits provisions for the detailed terms and conditions. Underwriting is required for this Payor's Benefit. The Company reserves the right to accept or reject any applications for this Payor's Benefit based on the information provided by the Policyholder during application.

7 Terminal Illness Benefit will terminate upon the payout of this benefit or when the Policy is terminated (whichever is the earliest). Please refer to the relevant supplementary benefits provisions for the detailed terms and conditions.

8 Insurance Age means age at your next birthday.

More Information

Planning for your financial future is important. We will be happy to help review your current and future needs and help you decide if Goal Access Universal Life Plan (Education) is the right product to help you fulfil your personal goals. You can visit any HSBC branch and arrange for a financial planning review with us.

Go to **www.hsbc.com.hk**
Visit **any HSBC branch**

To receive quarterly statements showing updated Account Values, you can contact us on 2583 8000.

INHK-ULEP-PB(0617)E

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