Key Information Document (Investment option information)

Purpose

This document should be read alongside the HSBC Life insurance product Key Information Document and provides you with specific information about this investment option (fund).

Product

Name of Investment:	HLM Malta Bond Fund	**Asset Manager:**	HSBC Life Assurance (Malta) Ltd.
Identifier	MTA00015LF	**Published Date:**	20 March 2021

What is this product?

Type

The Fund is a collective investment scheme organised under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority as an Alternative Investment Fund and fulfils the additional conditions prescribed by the Authority to be marketed to Retail Investors.

Intended retail investor

The Fund aims to meet the needs of all types of investors who are looking for capital growth or income with a medium to long term investment time horizon, i.e. they should plan to hold the Fund for at least five years. The Fund is designed for use either as part of a diversified investment portfolio or as sole diversified investment providing access to the asset class. Investors buying the Fund need to have an understanding about investing in Funds and they also should be prepared to bear losses since the Fund is not guaranteed and they may receive back less than the amount originally invested.

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 10 years.

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

The summary risk indicator is a guide to the level of risk of this investments 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 the capacity of the PRIIPs manufacturer to pay you.

However, you may benefit from a consumer protection scheme (see the section “what happens if we are unable to pay out”). The indicator shown above does not consider this protection.

Performance scenarios

Investment € 1,000 Scenarios		1 year	5 years	10 years (Recommended holding period)
Stress scenario	**What you might get back after costs**	€ 932.44	€ 4,779.98	€ 9,430.58
	Average return each year	-6.76 %	-1.50 %	-1.07 %
Unfavourable scenario	**What you might get back after costs**	€ 987.08	€ 5,050.15	€ 10,339.99
	Average return each year	-1.29 %	0.33 %	0.61 %
Moderate scenario	**What you might get back after costs**	€ 1,011.82	€ 5,177.08	€ 10,661.53
	Average return each year	1.18 %	1.16 %	1.16 %
Favourable scenario	**What you might get back after costs**	€ 1,036.48	€ 5,308.04	€ 10,997.47
	Average return each year	3.65 %	2.00 %	1.72 %
Accumulated Investment Amount		€ 1,000.00	€ 5,000.00	€ 10,000.00

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where HSBC Life Assurance (Malta) Ltd. are not able to pay you.

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.
The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest €1,000. The figures are estimates and may change in the future.

Costs over time

Investment € 1,000 Scenarios	If you cash in after 1 year	If you cash in after 5 years	If you cash in after 10 years
Total costs	€ 13.66	€ 215.09	€ 838.96
Impact on return (RIY) per year	1.37 %	1.37 %	1.37 %

The person selling you or advising you about this investment may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Composition of costs

The table below shows:
- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- The meaning of the different cost categories

This table shows the impact on return per year			
One-off costs	**Entry costs**	0.00 %	The impact of the costs you pay when entering your investment. This is the most you will pay, and could pay less.
	Exit costs	0.00 %	The impact of the costs of exiting your investment when it matures.
Ongoing costs	**Portfolio transaction costs**	0.04 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.33 %	The impact of the costs that we take each year for managing your investments.

Occasionally, the portfolio transaction costs shown could be negative. This happens when the investment manager has been able to buy investments at a rate lower than the market rate. The benefit of such a discount will be reflected in the costs and projected figures shown in this document.