

«Client_Name»
«Address1»
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April 2016

Dear Policyholder

Policy Number: «Plan_No»

Notification of changes to the underlying funds of:

1. J55 HSBC Chinese Equity
2. J56 HSBC Hong Kong Equity

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT PLEASE SEEK PROFESSIONAL ADVICE.**

We are writing to you as an investor in one or both of the above named funds.

We have been informed by HSBC Global Investment Funds ("the Company") that the underlying funds will be subject to a number of changes which are detailed below. These are **effective from 20 May 2016**.

Changes to how investments are made into China and the use of Derivatives by the Underlying Funds 1 & 2

The Company's Board has taken the opportunity to enhance the overall description of the investment objectives of the underlying funds and states:

"Shanghai-Hong Kong Stock Connect and China A-Shares Access Products"

"The aim is to optimise the portfolio management by making changes to the way the sub-funds invest in China.

Going forward the sub-funds will be authorised to invest in Chinese equities listed on stock exchanges in the People's Republic of China ("PRC") and may invest in China A-shares (i) directly through the Shanghai-Hong Kong Stock Connect ("Stock Connect") and/or (ii) indirectly through China A-shares Access Products ("CAAP").

You should refer to the Prospectus for a detailed description of the risks associated with investments in China A-shares through Stock Connect and CAAPs.

Use of Financial Derivative Instruments

The Board has taken the opportunity of the change above to enhance the overall description of the investment objectives of the sub-funds. In particular, the Board has reviewed the use of financial derivative instruments and has decided to implement in the investment objective a standardised wording.”

The Company also goes on to state the rationale in relation to Shanghai-Hong Kong Stock Connect and derivatives:

“Shanghai-Hong Kong Stock Connect and China A-Shares Access Products

Stock Connect is a securities trading and clearing platform developed by Hong Kong Exchanges and Clearing Limited (“HKEx”) and Shanghai Stock Exchange (“SSE”) with an aim to achieve mutual stock market access between the PRC and Hong Kong. Stock Connect comprises a Northbound Trading Link (for investment in China A-shares) by which the sub-funds may be able to invest in eligible shares listed on SSE.

The flexibility to investment in Chinese equities via Stock Connect and CAAP will allow the sub-funds to take greater advantage of investment opportunities in China.

Use of Financial Derivative Instruments

The enhanced wording will better describe the purposes of using financial derivatives instruments and how extensively these instruments may be used by a sub-fund. It will also bring consistency throughout the sub-funds' investment objectives.”

Further details of the use of derivatives and Stock Connect can be found in the following objective changes, (amendments to the original objectives are **highlighted in bold** for your ease of reference).

Changes of Investment Objective for J55 HSBC Chinese Equity

The Company states:

“The sub-fund aims to provide long term capital growth by investing in a portfolio of Chinese equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in the People's Republic of China (“China”), including Hong Kong SAR.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China (“PRC”). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to

applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products (“CAAP”) such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 50% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 50% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 70% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.”

Change of Investment Objectives for J56 HSBC Hong Kong Equity

The Company states:

“The sub-fund aims to provide long term capital growth by investing in a portfolio of Hong Kong equities.

*The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities, **or are listed on a Regulated Market**, in Hong Kong SAR.*

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China (“PRC”). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products (“CAAP”) such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The sub-fund

will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.”

You do not need to take any action as a result of this letter if you wish to remain invested in these funds. You can however choose to switch to a different investment from the range available to you should you wish to do so, and no Friends Provident International charges will arise from this transaction.

Fact sheets are available, through the Fund Centre section of our website for the alternative funds available to you (<http://www.fpiinternational.sg>). Full details on the underlying funds into which the Friends Provident International fund range invests can be found in the fund prospectuses, which are also available through the Fund Centre.

We recommend that you seek the advice of your usual financial adviser before making any investment decisions.

If you have any questions regarding the information in this letter in connection with your policy with us, please contact our enquiries team, by either phone or email.

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Yours sincerely

International Funds & Investments
Friends Provident International Limited

