

# HSBC Life BlackRock US Basic Value Fund

## Second quarter 2024

### Important information

- ♦ This is one of the investment choices under an insurance plan ("plan") issued by HSBC Life (International) Limited ("the Company").
- ♦ You are not investing in the underlying funds/assets and you do not have any rights or ownership over these underlying funds/assets.
- ♦ Your return from investment in the investment choices is calculated with reference to the fluctuation of the performance of the underlying funds/assets. Each of these underlying funds/assets has its own investment objectives and associated risks.
- ♦ The return on investments under the plan will be subject to the charges of the plan and may be lower than the return of the investment choices or the underlying funds/assets.
- ♦ Please note the following relating to insurance coverage and Insurance Charge:
  - Your policy provides life protection and additional coverage depending on the optional benefits you choose.
  - The Insurance Charge will reduce the Cash Value of your policy account.
  - The Insurance Charge may increase significantly during the policy term due to factors such as the life insured's age and investment loss. This may result in significant or even total loss of your investment.
  - If the Cash Value of your policy account is not enough to cover the policy charges (including Insurance Charge), your policy may be terminated early and you could lose your investment and all benefits unless you can fulfill certain policy terms and conditions (if applicable).
- ♦ Investment involves risks. Prior to selecting an investment choice, you should refer to the principal brochure and the prospectus of its underlying fund for full details of investment objectives and risk factors, which will be made available by the Company, and not rely solely on this document.

### Objective

HSBC Life BlackRock US Basic Value Fund will be invested in BlackRock Global Funds - US Basic Value Fund. The underlying fund seeks to maximise total return and invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the US. The Fund places particular emphasis on companies that are, in the opinion of the Investment Adviser, undervalued and therefore represent basic investment value.

### Investment outlook

After a banner year in 2023, U.S. markets, defined as the S&P 500, continued their momentum in 2024 returning

10.56% during the first quarter. Key drivers of performance may be attributed to three supporting factors: a strong macro backdrop, above average earnings, and finally a sense of clarity and optimism to start the year. In terms of the macro backdrop, the U.S. economy continues to demonstrate a high level of resilience relative to the rest of the world.

GDP has remained robust, inflation has continued to cool, and unemployment has remained steady. Additionally, the US Federal Reserve is still expected to cut interest rates this year, albeit with less cuts than what was projected to start the year. This supportive macro environment has translated into strong earnings for most sectors in the S&P 500 with the median company posting 3.8% earnings growth Year-over-Year during Q4 2023.

Cyclical sectors led the way including energy, consumer discretionary, and real estate. Looking to the "magnificent 7", it's worth noting that while NVIDIA has continued its strong run, the others have seen a high degree of performance divergence such as Tesla which was one of the worst performers in the S&P 500 during the first quarter of 2024. Lastly, the first quarter was notably strong when compared to other election years. This may be due to this year's unusual set up with each candidate having a presidential track record which adds a degree of clarity not usually found this early in the year.

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### Management fee by HSBC Life (International) Limited

Currency	Fund charge (p.a)	Fund switching charge
HKD	1.60%	nil
USD	1.60%	nil

### Investment choice information

Currency	Launch date	Size ('000)	Unit price
HKD	10/10/2005	5,549	278.98
USD	10/10/2005	83	27.38

### Cumulative performance

Currency	6 months	12 months	3 years	5 years	Since launch
HKD	16.94%	18.89%	19.43%	48.09%	178.98%
USD	16.71%	19.10%	18.84%	51.52%	173.80%

### Calendar Year Performance

Currency	2019	2020	2021	2022	2023	YTD
HKD	21.17%	0.43%	19.88%	-5.76%	11.12%	7.63%
USD	21.58%	3.28%	19.14%	-5.57%	10.89%	7.16%

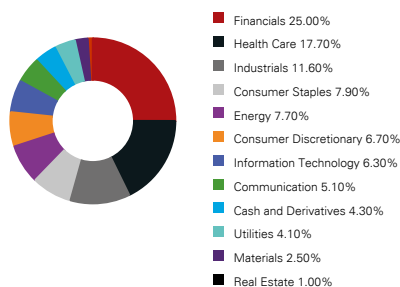
Data as at 28 Mar 2024

Cumulative performance (in percentage return) represents the percentage change of the investment choice unit price as at 28 Mar 2024. Calendar year performance (in percentage return) represents the percentage change between the investment choice unit price of the last available transaction date of each of the previous calendar years. All percentage return figures are based on investment choice unit prices as at 28 Mar 2024, calculated on a unit-price-to-unit price basis and in relevant base currency of the investment choice. YTD performance (in percentage return) represents the change between the investment choice unit price of the last available transaction date of 2023 and 28 Mar 2024.

## Underlying fund information

### Asset allocation

HK Dollar

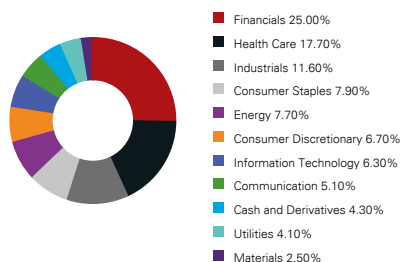


### Top 10 holdings

Securities	Industry	%
1. WELLS FARGO	Financials	3.50
2. CITIGROUP INC	Financials	3.40
3. GENERAL MOTORS	Consumer Discretionary	2.50
4. FIRST CITIZENS BANCSHARES INC CLAS	Financials	2.40
5. BP ADR EACH REPRESENTING SIX PLC	Energy	2.30
6. AMERICAN INTERNATIONAL GROUP INC	Financials	2.30
7. HUNTINGTON INGALLS INDUSTRIES INC	Industrials	2.30
8. KRAFT HEINZ	Consumer Staples	2.20
9. SHELL PLC	Energy	2.20
10. FIDELITY NATIONAL INFORMATION SERV	Financials	2.10

### Asset allocation

US Dollar



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1. WELLS FARGO	Financials	3.50
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### Notes :

- The information on Objective, Investment Outlook, Asset Allocation and Top 10 Holdings are provided by BlackRock (Hong Kong) Limited. The rest of the information is supplied by the Company.
- HSBC Life BlackRock US Basic Value Fund ("the Investment Choice") is divided into units, the price of which will be determined by the net asset value including investment return and net of charges on the Investment Choice on that transaction date. The investment return includes interest, dividends and realised or unrealised capital and currency gains and losses. The allocation of units is purely notional and for the sole purpose of determining the Cash Value of your policy account and deduction of charges at any time.
- The Investment Choice invests in its respective designated underlying fund. The Investment Choice is linked in its underlying fund in terms of the investment objectives, underlying asset risks and performances.
- The Investment Choice is subject to market fluctuations and to the risks inherent in all investments. The price of units in the Investment Choice and the income from them(if any) may go down as well as up and past performance is not indicative of future performance. For details of the underlying funds, please refer to the relevant prospectus which will be made available by the Company.
- US/Hong Kong dollar based investors are exposed to fluctuations in the US/Hong Kong dollar exchange rate. Since the underlying investment may involve multiple currencies, the value of investment may be subject to possible exchange rate fluctuations.
- Effective from 1 July 2009, except for the word "fund" used in individual investment choice name, all the words "fund" previously used in this document are referred as "investment choice".
- Investment involves risks. HSBC Life BlackRock US Basic Value Fund is an investment option of LifeInvest Protection Plus / RetireInvest Protection Plus. For charges and details, please refer to the relevant principal brochure(s).