Life Insurance Wrappers
The favourite investment of the French
Prepare your plans

Whether you want to build or grow your capital, to protect your loved ones or prepare for retirement, HSBC life insurance wrappers are adaptable to fit your plans.

Build and grow your capital
Subscribing to a life insurance wrapper is a good way to start saving. With regular payments, the capital you build up(1) can be used to contribute to financing your projects. You can also recover some or all of your invested savings at any time, while benefitting from a special tax system.

Preparing the future of your children
Life insurance wrappers can be a good way to build up capital for your children or grandchildren over the long term, for example to finance their higher education.

Prepare for retirement
A life insurance wrapper allows you to save money slowly and steadily. These savings can be used to supplement your income after retirement, either in the form of capital or an annuity. It will help you to partially compensate for the reduction in your income.

Transferring your assets
A life insurance wrapper allows you to transfer your estate to the beneficiary(ies) of your choice. HSBC can help you draw up the beneficiary clause of your contract, so you can be sure your wishes will be respected.

(1) Amount invested deducted from the fees applicable to your contract.
A flexible investment

HSBC Life Insurance wrappers offer many advantages

A wide choice of investment vehicles

**Euros Avenir Vehicle**
To ensure the stability and security of your capital, you can allocate all or part of your investment to this vehicle, invested mainly in bonds.

![Asset Allocation Chart]

- **Total asset allocation**
  - 59.2%
  - 16.5%
  - 14.0%
  - 4.0%
  - 8.9%
  - 7.6%

**A diverse portfolio with solid management**

- Bonds (Governmental)
- Bonds (Non-governmental)
- Compulsory OPCVM funds and tax coverage
- Shares and share coverage
- Real estate
- Alternative management
- Currency

*At 31/12/2018

**Unit-linked products**
Units of account allow you to boost your savings by choosing financial instruments which are invested in the markets.

Our contracts offer more than 90 units of account.

**Unit-linked investments** are subject to market fluctuations and can fluctuate both upward and downward. There is a risk of capital loss.

Award-winning HSBC Global Asset Management products

**INVESTOR AWARDS 2018**

**Investment in a wide range of industry sectors and geographical areas is a way to diversify your investments.**

Your savings are always available

Your savings are not inaccessible: you can access them at any time.
- If you need cash, you can make a partial or full withdrawal.
- You also have the possibility to request an advance in order to meet a temporary need for liquidity.

In any case, your advisor will help you identify the most appropriate solution for your situation.

Add funds at your own pace

You can add to the funding of your contract whenever you wish, whether through occasional or scheduled payments, the frequency and amount of which you choose. If your situation changes you can change the amount and/or frequency of your payments, or even stop them completely at any time.

**Making scheduled payments to a unit-linked share, will stabilise the net asset value of the unit-linked support.**

(1) Before investing in a unit-linked fund, you must read the French version of the DICI (Document d’Information Clé pour l’Investisseur or Key Information for investors document) and the prospectus, which are regulatory documents available from HSBC branches or by consulting the website www.hsbc.fr, the contractual provisions of the life insurance wrapper contract and in particular the applicable fees. Past performance is not a reliable indicator of future performance, and must be analysed with caution. (2) Following the survey conducted by Boursorama and OpinionWay among professional and retail investors, HSBC Global Asset Management was awarded the «Best International Development» award at the Investors Awards 2018 for the second year running. (3) According to the conditions of the contract.
3 management methods

Whether you’re an expert investor or a total novice, HSBC offers several management options based on your profile, objectives and investment horizon.

Trust HSBC experts with your savings

With the Gestion sous Mandat d’Arbitrage (Management under Arbitration Mandate), you delegate the management of your investment to our financial experts(4). They perform arbitrations for you between the different unit-linked products in which you have invested, in order to actively manage your savings according to market conditions.

Enjoy automatic guided management

With the Gestion Pilotée (Guided Management), available within the HSBC Evolution Patrimoine Vie 2 contract(5), you maintain an allocation corresponding to your profile over time. Our advisors will recommend one of the available asset allocations based on your sensitivity to risk. The distribution between the Euros Avenir vehicle and the units of account is automatically applied to your initial payment as well as to your future payments.

Get total control

With Gestion Libre (Self Management) you will benefit from our recommendations about allocations and investment vehicles. Then you manage your savings independently and conduct arbitrations freely between your different vehicles(6). Every day, either via the Internet or with your advisor, you can choose from the recommended vehicles, and even think about management options to support you.

NOTE
with this management method you benefit from a management meeting at least once a year with your adviser, who will also offer you a commentary on the performance of your contract according to your mandate.

NOTE
You will benefit from automatic rebalancing procedures free of charge each year, in order to maintain the distribution you defined when you first invested. And, once a year, you can change your allocation at no cost to meet your changing personal goals.

NOTE
In your branch as well as online, HSBC can advise you on the distribution of your investments and vehicles adapted to your risk profile. For the best advice, remember to update your Profil Investisseur (Investor Profile) regularly.

(4) Available under HSBC Evolution Patrimoine Vie 2, HSBC Evolution Patrimoine Capitalisation 2, HSBC Stratégie Patrimoine Vie 2 and HSBC Stratégie Patrimoine Capitalisation 2 contracts insured by HSBC Assurances Vie (France), a company governed by the Code des Assurances (Insurance Code).
(5) According to the provisions of the contract.
(6) Available under HSBC Evolution Patrimoine Vie 2 and HSBC Evolution Patrimoine Capitalisation 2 policies insured by HSBC Assurances Vie (France), a company governed by the Code des assurances (Insurance Code).
A special tax system

Whether you use them to prepare for a property purchase, to fund your retirement or transfer your estate, your savings will benefit from one of the strengths of life insurance wrappers: special taxation(1).

During the life of the contract
As long as your savings remain invested in your life insurance wrapper, they are not subject to any taxation. Only interest allocated each year to the Euros Avenir vehicle is liable for social security contributions. Any capital gains generated by your contract will only be taxable at the time of their withdrawal.

In the event of a withdrawal
When you withdraw all or part of your savings, tax applies only to the portion of any capital gains present in the amount you withdraw(1).

Upon transmission in the event of death
A life insurance wrapper is a contract to be preferred for the transfer of financial assets as part of a beneficial tax system. Indeed, sums transmitted within the framework of a life insurance wrapper are not considered part of the estate (for contracts taken out since 13/10/1998, up to a maximum of €152,500 per beneficiary(2) when these sums are paid before the insured’s 70th birthday).

For more information on taxation applicable to life insurance wrappers and capitalisation contracts consult the associated tax form available at hsbc.fr

Example
Details of the taxation of transmission by beneficiary(1)
(except for a surviving spouse or partner linked by a PACS)
Mr. Dupont, 68 years old, married with two children. He has assets of €650,000. Here is the comparison of inheritance taxes with and without a life insurance wrapper. We assume Mr. Dupont only holds a life insurance wrapper with a capital of €300,000 and that the beneficiary clause designates, in equal shares, his two children.

<table>
<thead>
<tr>
<th>WITH life insurance wrapper</th>
<th>WITHOUT life insurance wrapper</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>- Excluding succession:</strong></td>
<td><strong>- In the succession:</strong></td>
</tr>
<tr>
<td>€300,000 in life insurance</td>
<td>€650,000</td>
</tr>
<tr>
<td>Taxation: €0</td>
<td>Abatement(2): €100,000 per child</td>
</tr>
<tr>
<td><strong>- In the succession:</strong></td>
<td>Net taxable share:</td>
</tr>
<tr>
<td>€350,000</td>
<td>€350,000 - (2 x €100,000) = €150,000</td>
</tr>
<tr>
<td>Abatement(2):</td>
<td>▶ Total inheritance tax: €26,389</td>
</tr>
<tr>
<td>€100,000 per child</td>
<td>▶ Total inheritance tax: €86,389</td>
</tr>
</tbody>
</table>

Consider a capitalisation contract
If your main objective is transferring your assets, do consider the capitalisation version of HSBC contracts. In the event of the total surrender of your contract, you benefit from the same tax advantages as those offered by life insurance wrappers. At any time, you have the possibility to transfer your contract and its tax history. In the event of succession, the cash value of the contract is subject to inheritance tax. If you want to know more, go to your branch or consult the tax form on the website www.hsbc.fr

(1) Taxation applicable as of 01/01/2019 to French tax residents for contracts entered into since 26/09/1997, subject to subsequent amendments to tax legislation. (2) Discount applicable per beneficiary for all contracts taken out for their benefit by the insured.
To allow you to optimise your investment strategy, HSBC Assurances Vie (France) offers three financial options within certain life insurance wrappers within the framework of free management:

- progressive investment
- limitation of relative or absolute capital losses
- automatic arbitrage of capital gains

(3) Available with HSBC Evolution Patrimoine Vie 2, HSBC Stratégie Patrimoine Vie 2 and HSBC Evolution Patrimoine Transfert 2 contracts. The accumulation of options is subject to their compatibility.
Progressive investment

The objective of this option is to allow you to spread your investment over time on one or more units of account of your choice, and to avoid investing all at once when markets are at high levels.

How does this option work?

You can implement the Progressive Investment option upon enrolment/subscription to the contract or during the course of its life (at the time of subsequent payments). You will have to choose a duration for this option (3 months, 6 months, 12 months or 24 months).

Funds are placed in a specific monetary holding vehicle, then arbitrated to the investment vehicle(s) you have selected, depending on the frequency chosen, which may be monthly or quarterly.

This option is only available in Self Management (it is incompatible with Guided Management or the Management under Arbitration Mandate) and can be combined with other management options (limitation of relative/absolute capital losses and automatic capital gains arbitrage).

However, progressive Investment is incompatible with scheduled payments or scheduled partial redemptions.

The cost of the option is 0.20% of the amount transferred. You have the option to terminate it at any time.
Example

Mr. Dupont wishes to invest €150k (net of entry fees) in a HSBC Stratégie Patrimoine Vie 2 life insurance wrapper.

Rather than investing in a single lump sum when financial market levels seem high to him, he chooses to invest over several payments.

His advisor suggested he implements a gradual investment option over 12 months.

The recommended allocation is 60% in Euros Avenir and 40% on units of account under the progressive investment option.

- **90 K€** are invested in a single payment on the Euros Avenir vehicle.
- **60 K€** are invested in the waiting fund (monetary fund).

**Over 12 months**, the amount of each progressive arbitrage when exiting the waiting funds vehicle to account units will be 1/13th of the amount paid, i.e. €4.6K*.

The final amount arbitrated to the account units will correspond to the balance of the remaining value invested in the waiting fund.

* Rounded to ten euros.
Limitation of relative or absolute capital losses

The purpose of this option is to protect against an excessively sharp decline in unit-linked investments.

How does this option work?

You determine a percentage limit that, if reached, will automatically arbitrage the entire value of a unit of account to the target medium, which could be the euro medium or another unit of account. The trigger level must always be an integer number expressed as a percentage and must be at least 10%.

The “limitation of capital losses” option, also known as “stop loss”, can be absolute or relative:

- When it is absolute, losses are calculated in relation to the cash value of the support.
- When it is relative, the capital losses are calculated in relation to the highest weekly value reached by the support since the option was put in place.

The “limitation of capital losses” option by medium means that automatic arbitrage is not linked to the evolution of the overall valuation of your contract but rather only to that of the source medium.

It is possible to implement this option on several vehicles in source account units. In this case, a trigger threshold is defined for each of these media.

The “limitation of capital losses” option can be implemented when you join/subscribe to the contract or at any time over its lifetime.

This option is only available in Self Management mode (it is incompatible with Guided Management or Management under Arbitration Mandate modes) and can be combined with other management options (i.e. the progressive investment option and the automatic capital gains arbitrage option).

The option can function with scheduled payments but is not compatible with scheduled partial withdrawals.

The cost of the option is 0.50% of the amount transferred. You have the option to terminate it at any time.
Let’s take an example

**Caution:**
There may be a difference between the amount of depreciation recognised on Friday, the day on which the “difference” is calculated on the basis of the net asset value on Thursday, and the day on which the arbitration is actually carried out, which is generally the net asset value on Monday.

**EXAMPLE**
Mr. Dupont invests €100 in a unit of account in June 2016 and sets up a capital loss limit of -10%.

**Limitation of relative capital losses**

- Arbitration of the entire source vehicle to the target account unit, based on a net asset value of €126
Automatic arbitrage of capital gains

The automatic arbitrage of capital gains allows the transfer of capital gains realised by a unit of account or by the Euros Avenir vehicle (“source vehicle”) to one or more available vehicle(s) (“target vehicle(s)”). This option allows you to secure your earnings and thus protect yourself from a market downturn.

How does this option work?

You choose one or more source vehicle(s) whose performance will be automatically arbitrated, and one or more target vehicle(s) in which this added value will be reinvested.

When the option is implemented, you choose the percentage capital gain level at which the performance of the source vehicle will be automatically arbitrated to the target vehicle(s).

The level of performance must always be an integer expressed as a percentage and must be at least 5%. The «Automatic arbitrage of capital gains» option works by vehicle. This means automatic arbitration is not linked to the evolution of the overall valuation of the contract but only to that of the source vehicle.

The option can be implemented at the time of enrolment/subscription or during the life of the contract.

This option is only available Self Management (it is incompatible with Guided Management and Management under Arbitration Mandate) and can be combined with other management options (the progressive investment option and the option to limit relative or absolute capital losses).

It is also compatible with scheduled payments, but not with scheduled partial withdrawals.

The implementation of the option is free of charge. Only arbitrations carried out during the activation of the option are charged at 0.5% of the transferred amount and you have the option to terminate it at any time.
Let’s take an example

Caution:
There may be a difference between the amount of depreciation recognised on Friday, the day on which the «difference» is calculated on the basis of the net asset value on Thursday, and the day on which the arbitration is actually carried out, which is generally the net asset value on Monday.

Example
Mr. Dupont invests €100 in a unit of account in June 2016 and sets up an automatic +20% capital gains arbitrage

Automatic arbitrage of capital gains
### Financial options at a glance

All these management options are compatible with each other except for the limitation of absolute and relative capital losses.

<table>
<thead>
<tr>
<th>Setup method</th>
<th>Fees</th>
<th>Accumulation of options</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Progressive investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setup: at the time of the initial payment or at any time during the life of the contract.</td>
<td>The implementation of the option is free of charge. Arbitrations completed are charged at 0.20% of the amount disinvested.</td>
<td>Option compatible with automatic capital gains arbitrage and limitation of relative or absolute capital losses. Incompatible option with scheduled payments and scheduled partial redemptions.</td>
</tr>
<tr>
<td><strong>Automatic arbitrage of capital gains</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setup: at the time of the initial payment or during the life of the contract.</td>
<td></td>
<td>Option compatible with the limitation of relative or absolute capital losses and the progressive investment option. Option compatible with scheduled payments, but incompatible with scheduled partial withdrawals.</td>
</tr>
<tr>
<td>Threshold: from 5% of capital gains; whole number; to be specified vehicle by vehicle. Frequency of calculation: weekly (on Fridays). A difference is to be expected between the percentage of capital gain recorded on Friday on the basis of the net asset value on Thursday and that realised on the day the arbitration is carried out.</td>
<td>The implementation of the option is free of charge. Arbitrations completed are charged at 0.50% of the amount disinvested.</td>
<td></td>
</tr>
<tr>
<td><strong>Limitation of relative capital losses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setup: at the time of the initial payment or during the life of the contract.</td>
<td>The implementation of the option is free of charge. Arbitrations completed are charged at 0.50% of the amount disinvested.</td>
<td>Option compatible with automatic capital gains arbitrage and progressive investment option. Option compatible with scheduled payments, but incompatible with scheduled partial redemptions.</td>
</tr>
<tr>
<td>Threshold: from 10% of capital losses; whole number; to be specified vehicle by vehicle. Frequency of observation of the threshold: weekly (on Friday). A difference is to be expected between the percentage of capital gain recorded on Friday on the basis of the net asset value on Thursday and that realised on the day the arbitration is carried out.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Manage your contract online

You can manage your contract online in your personal customer area “Ma banque en ligne“ (HSBC Online Bank) at hsbc.fr.

Subscription
Is a life insurance wrapper the savings vehicle that meets your needs? Subscribe to HSBC Evolution Patrimoine Vie 2 online.

- Go to: “Assurance-vie / Souscrire en ligne” (Life Insurance / Online Subscription)

HSBC received the Argus d’or 2018 for its 100% digital journey with e-signature.

Transfer
- Did you receive a lump sum? You can make a payment to your life insurance wrapper online.
- Do you want to gradually build up your capital? You can set up scheduled payments and change them at any time.

- Go to: “Assurance-vie / Mes Opérations / Verser ou Gérer mes versements programmés” (Life Insurance / My Operations / Paying or Managing my scheduled payments)

Consultation
Log in to your Life Insurance customer area at any time to:
- follow the valuation of your contract online;
- view your current or scheduled actions;
- access the history of actions on your account;
- find the management mode associated with your contract.

- Go to:
  Life insurance and select your contract.

Arbitration
Do you want to modify the list of your investment vehicles or their distribution? Carry out your arbitration online.

- “Assurance-vie / Mes Opérations / Arbitrer” (Life Insurance / My Operations / Arbitrate)

We are right by your side for any subscription, payment or arbitration

Once your investment project has been defined, and according to your risk profile, we will advise you on the allocations and vehicles that are appropriate for you. You are free to follow any advice given. To receive the best advice, remember to update your online investor profile by completing the questionnaire. It assesses your financial knowledge and measures your tolerance for financial risk, i.e. your reaction to market fluctuations.
Our contracts

Because a life insurance wrapper can be purchased at any stage of life, HSBC offers a full range of policies to meet everyone’s needs.

<table>
<thead>
<tr>
<th>Your objective</th>
<th>Build your capital(1)</th>
<th>Enhance, diversify, develop or transfer your capital</th>
<th>Transfer your capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our solution</strong></td>
<td>HSBC Essentiel 2</td>
<td>HSBC Evolution Patrimoine Vie 2</td>
<td>HSBC Stratégie Patrimoine Vie 2</td>
</tr>
<tr>
<td>Transfers (minimum amount)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On joining/subscribing</td>
<td>€150 if scheduled payments are set up, otherwise €225</td>
<td>€1,000</td>
<td>€150,000</td>
</tr>
<tr>
<td>At any time</td>
<td>€150</td>
<td>€1,000</td>
<td>€1,500</td>
</tr>
<tr>
<td>Regular transfer (for example each month)</td>
<td>€45</td>
<td>€75</td>
<td>€250</td>
</tr>
<tr>
<td>Management mode</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guided management</td>
<td>-</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Free management</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Financial offer (self management)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of funds</td>
<td>More than 60</td>
<td>More than 80</td>
<td>More than 90</td>
</tr>
<tr>
<td>Funds in euros</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Arbitrages</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Free first arbitrage between units of account</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Arbitrages both online and in branch</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Financial management options available</td>
<td></td>
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<tr>
<td>Progressive investment</td>
<td>-</td>
<td>√</td>
<td>√</td>
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<tr>
<td>Automatic arbitrage of capital gains</td>
<td>-</td>
<td>√</td>
<td>√</td>
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<tr>
<td>Limitation of capital losses</td>
<td>-</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>

* after two years

Consult the Key Information Documents for our products on the website www.hsbc.fr, under Saving and Investing, then Life Insurance.

Our awards

The HSBC Group regularly receives awards that we are proud to share with you. To access the details of the methodologies for these awards, go to lerevenu.com, mieuxvivre-votreargent.fr and lesdossiers.com

(1) Amount invested deducted from the fees applicable to your contract.
Life insurance wrappers: the facts

Your savings available at any time
If you need to finance a project, you can always make a withdrawal, i.e. recover part or all of your savings.

A wide choice of investment vehicles
Your contract allows you to access different types of vehicle, from the most secure to the most dynamic.

100% online management
From your secure customer area you can subscribe, consult your contract and make payments and arbitrations.

Special taxation
You benefit from the special tax treatment of life insurance wrappers in the event of a withdrawal on your policy, but also in the event of transfer on your death.

Your capital invested in the Euros Avenir vehicle is guaranteed.

A savings solution open to all
Anyone can take out a life insurance wrapper. It is a good way to build up savings at your own pace.

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(2) Taxation applicable as of 01/01/2019 to French tax residents for contracts entered into after 26/09/1997, subject to subsequent amendments to tax legislation.

(3) The Euros Avenir en euros vehicle benefits from a guarantee on payments less entry fees and management fees, subject to the absence of redemption and arbitration.

(4) An HSBC Evolution Patrimoine Vie contract 2.
Always by your side

24/7 access to your accounts

Our advisers will be happy to help you from Monday to Friday from 8am to 10pm, and on Saturdays from 9am to 5.30pm, except on public holidays

0 810 246 810 Service 0.09€/call

*Call price

*Dial +33 810 246 810 from abroad (variable cost depending on operators)

HSBC Continental Europe
Public limited company with a capital of 491 155 980 euros
SIREN 775 670 284 RCS Paris
Registered office: 38, avenue Kléber - 75116 Paris
Bank and insurance intermediary registered with ORIAS
(Organisation for the Registration of Insurance Intermediaries - www.orias.fr) under number 07 005 894

HSBC Assurances Vie (France)
Public limited company with a capital of 115 000 000 euros
SIREN 338 075 062 RCS Nanterre
Postal address: 38, avenue Kléber - 75116 Paris
Registered office: Immeuble Cœur Défense - 110, esplanade du Général de Gaulle - 92 400 Courbevoie

Non-contractual document Ref. 20.100.50 - 12/20