

# HSBC Life Amanah Pension Fund



There has always been demand among Muslims for financial products and services that conform to Shariah (Islamic law). With the development of Islamic alternatives to conventional finance, Muslims are beginning to find Shariah compliant solutions to their financial needs.

With this in mind, the HSBC Life Amanah Pension Fund is the first pension fund that offers Muslims conventional equity risk and return without compromising Islamic principles. The fund provides Islamic investors with access to equity markets via an experienced manager, with the benefits of daily liquidity and the highest standard of Shariah compliance.

## What is the HSBC Life Amanah Pension Fund?

HSBC Life Amanah Pension Fund is a pooled fund that offers investors the opportunity to grow their money in line with the performance of the 100 largest global companies engaged in Shariah compliant activities.

## How is the fund managed?

The fund adopts a passive equity investment strategy that mirrors and tracks the Dow Jones Islamic Titans 100 Index. The Islamic Titans Index consists of Shariah compliant companies that have been endorsed by the Dow Jones Shariah Supervisory Committee.

## How is compliance to Shariah ensured?

There is a rigorous investment process to ensure adherence to Shariah principles, which HSBC Amanah's Central Shariah Committee closely monitors. The committee has approved investment in listed companies whose activities do not contravene the tenets of Islam and where any non Shariah compliant revenue that might be earned is 'purified'.

### Stage one: screening potential investments

Sector, financial ratios and transaction screenings take place before any trade is entered into. Potential investments are screened and those whose primary

business activity is listed in the table below are excluded. The remaining stocks are tested according to three further screens to remove those with unacceptable financial ratios or borrowings.

Sector screens	
Alcohol	Weapons
Tobacco	Pork
Financial services	Gambling
Pornography	Leisure/media

### Stage two: income purification

The fund receives dividend income as part of a company's normal business activity. As it is often unavoidable that some of this income will include some form of interest, it will be necessary to purify the income. The proportion of income received from non-compliant activities is paid to the 'HSBC in the Community Middle East Foundation' and the dividend is thereby purified.

For example, a large diversified corporation may be Shariah compliant, however this company may own a small finance subsidiary deemed non-compliant. A percentage of the dividend representing the profits from the subsidiary would be donated to the HSBC in the Community Foundation.

## HSBC Amanah Central Shariah Committee

All Shariah compliant investments must be certified by experts in Shariah, generally through a panel or board comprised of respected Shariah scholars who are qualified to issue "fatwas" (religious rulings) on financial transactions. This panel of Shariah experts ensure full compliance of all Shariah compliant investment funds.

Three scholars of international repute, well versed in Islamic law and modern finance, serve on the HSBC Amanah Shariah Committee. The committee provides initial approvals on the investment objectives and investment strategy of all funds and reviews the investments periodically to ensure their continuous compliance to Islamic principles. Additionally, the committee conducts annual audits of all funds to ensure adherence to their rulings during the year.

### Why HSBC Amanah?

HSBC has a rich tradition of community banking, and HSBC Amanah was established to serve the particular financial needs of Muslim communities.

- ▶ **Industry leader** – HSBC is the first provider to offer a pension fund that meets the requirements of Shariah
- ▶ **Independently endorsed** – HSBC Amanah works closely with an independent Shariah Supervisory Committee of scholars to ensure that products and transactions comply with Shariah
- ▶ **Credibility and global resources** – HSBC Amanah, the dedicated Islamic services division of the HSBC Group, has the global resources of the group at its disposal and the largest Islamic finance team of any international bank, enabling it to be uniquely positioned to understand, structure and distribute Shariah compliant products.

### Who is HSBC Amanah?

HSBC Amanah is the Islamic financial services division of the HSBC Group. With experienced personnel working from regional offices, its mission is to ensure that HSBC is the leading provider of value-added Shariah compliant financial products and services to its clients. It is headquartered in Dubai, and with regional representatives in New York, Riyadh, London, Jakarta and Kuala Lumpur.

### Important information

It is important to remember that the price of shares and the income from them can go down as well as up and is not guaranteed and that you the investor may not get back the amount originally invested. Past performance is not a guide to future performance. Changes in rates of currency exchange, particularly where overseas securities are held, may also affect the value of your investment. It is possible that the restrictions placed on investment may result in the fund performing less well than funds with similar investment objectives which are not subject to Shariah restrictions. "Dow Jones" and "Dow Jones Islamic Market Titans 100 Index SM" are service marks of Dow Jones & Company, Inc. Dow Jones has no relationship to the HSBC Group, other than the licensing of the Dow Jones Islamic Markets 100 Index and its service marks for use in connection with the HSBC Amanah funds. Dow Jones does not: (1) Sponsor, endorse, sell or promote the HSBC Amanah funds; (2) Recommend that any person invest in the HSBC Amanah funds or any other securities; (3) Have any responsibility or liability for or make any decisions about the timing, amount or pricing of HSBC Amanah funds; (4) Have any responsibility or liability for the administration, management or in connection with the HSBC Amanah funds; (5) Consider the needs of the HSBC Amanah funds or the owners of the HSBC Amanah funds in determining, composing or calculating the Dow Jones Islamic Market Titans 100 Index or have any obligation to do so. The manager of the fund is HSBC Life (UK) Limited which is authorised and regulated by the Financial Services Authority. The investment manager is HSBC Global Asset Management (UK) Limited who provides information to professional advisers and their clients on the products and services of HSBC Global Asset Management (UK) Limited and HSBC Life (UK) Limited. The HSBC Life Amanah Pension Fund invests exclusively in the HSBC Amanah Global Equity Index Fund and may also hold relatively small amounts of cash. Issued by HSBC Global Asset Management (UK) Limited. Authorised and regulated by the Financial Services Authority. Copyright © HSBC Global Asset Management (UK) Limited 2009. All Rights Reserved. 16386/0509/FP-0593

### Risk rating

Medium<sup>1</sup>

### Fund details

<b>Annual management charge</b>	For UK DC members we recommend an institutional share class, with a charge of 30 basis points
<b>Dealing daily cut-off</b>	9:30 (UK time)
<b>Valuation daily at</b>	14:00 (UK time)
<b>Financial year end</b>	31 December
<b>Launch date</b>	1 April 2004
<b>Launch price</b>	£1.00



### For further information

#### Website

[www.assetmanagement.hsbc.com/uk/amanah](http://www.assetmanagement.hsbc.com/uk/amanah)

#### Investment helpline

08457456 127

08457 660 391 (textphone)

*Lines are open Monday to Friday (excluding bank holidays) between 8am and 6pm. To help improve our services and in the interests of security, we may record and/or monitor your telephone calls with us.*

<sup>1</sup>All risk ratings are determined and assigned by the product provider, HSBC Life (UK) Limited.