



投委會
IFEC





About the Investor and Financial Education Council

The Investor and Financial Education Council (IFEC) is an independent public organisation and a subsidiary of the Securities and Futures Commission, dedicated to improving financial literacy in Hong Kong. The IFEC is supported by the four regulators and the Education Bureau. The IFEC promotes and delivers free and impartial investor and financial education resources and programmes through its consumer education platform, The Chin Family, and leads the Financial Literacy Strategy to create a conducive environment for stakeholders to deliver more quality investor and financial education to various segments of the Hong Kong population.

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Why is Key Facts Statement important?

Understanding the features and risks of a product is crucial to making an informed investment decision.

To help investors grasp the key issues of a product before investing, the Securities and Futures Commission (SFC) has enhanced the disclosure requirements for a range of investment products marketed to the public in Hong Kong, namely funds, investment-linked assurance schemes (ILAS) and unlisted structured investment products (SIP).

Product issuers must provide investors with offering documents, including Product Key Facts Statements (KFS), to meet with the enhanced requirements for the above-mentioned products.

A KFS gives a prospective investor a concise and user-friendly summary, in plain language, of the key features and risks of a product.

Standardised templates are provided by the SFC, and product issuers are required to refer to the template that is applicable to their products. This way, it should be easier for investors to compare among products of the same type and to comprehend the salient features and risks of a product.



A KFS is no substitute for the full set of the offering documents. Do not rely solely on a KFS to make an investment decision. You must read the offering documents before deciding whether or not to invest in a product.

What is common to KFS of different products?

Be it a fund, an investment-linked assurance scheme, or an unlisted structured investment product, the following sections can generally be found in the respective Product KFS:

- **Name and type of product**
- **Name of issuer**
- **Quick facts**
- **What is this product (and how does it work)?**
- **What are the key risks?**
- **What are the fees and charges?**
- **Additional information**



The KFS templates are for illustration only. The information and form of presentation of an actual KFS may vary from product to product, and issuer to issuer.

A KFS may be longer if the product issuer finds it necessary to provide more explanation or include illustrations (such as graphics, charts and diagrams) to help investors understand the product.

How does KFS vary from one product to another?

Different investment products have their unique features and risk profiles. Therefore, while all Product KFS provide certain types of information as mentioned in the previous section, the KFS of each type of investment products must also contain information that is specific to its product class. Also, for funds offering both ETF class and unlisted class, a separate KFS must be prepared to contain information specific to each class.

The KFS of a fund, an investment-linked assurance scheme (ILAS) and unlisted structured investment product (SIP) mainly differ in the following aspects:



Funds

- Ongoing charges figure
- Objectives and investment strategy
- Investment mix (optional, except for certain fund types with complex investment strategies)
- Use of derivatives/investment in derivatives
- Past performance
- Guarantee, if any
- Fees and charges



Investment-linked assurance schemes

- Life insurance protection level
- Long term features
- Illustration to explain how does an ILAS work
- Illustration of total policy charges
- Fees and charges at policy level and underlying/reference funds level
- How intermediaries' remuneration will be disclosed
- Cooling-off period
- Insurance company's information



Unlisted structured investment products

- Key features
- Guarantee or collateral, if any
- Scenario analysis
- How to buy the product
- Mode of settlement
- Adjustments to the terms and conditions upon the occurrence of extraordinary events
- Cooling-off period, if any
- Whether you can sell the product before expiry
- Continuing disclosure obligations

What is in the KFS of a general fund or an active exchange-traded fund?

In the Product KFS of a general fund or an active exchange-traded fund (ETF), you will find:

1. Quick facts

- Listing out names of fund manager (including internal or external delegates, if any) and trustee and/or custodian, the ongoing charges figure of the fund and the computation basis, how frequently the fund deals, the minimum investment amount, dividend policy, financial year end and base currency.
- For ETF class, stock code, trading lot size, trading currency and fund website are also listed here.

2. Product profile

- Telling you whether the fund is a unit trust or mutual fund, its domicile and home regulator and whether it offers both ETF class and unlisted class.
- For ETF class, it will indicate that its units are listed and traded on The Stock Exchange of Hong Kong Limited.

3. Objectives and investment strategy

- Describing the objectives and investment strategy of the fund.

4. Investment mix (optional)

- Showing the fund's asset allocation by country, sector or asset type.

KFS template of a general fund or an active ETF

PRODUCT KEY FACTS
[Product name and type, e.g. ABC (●) Fund] [(ETF Class)]
[Date]

1. This is an active exchange traded fund. This statement provides you with key information about this product. This statement is a part of the offering document.* You should not invest in this product based on this statement alone.

Quick facts
Stock code:
Fund Manager: [Include delegation (if any) - specify name and delegate and whether delegation is internal or external]
Custodian:
Ongoing charges over a year*: Class X Class Y
Base currency:
Financial year end of this fund:
Fund website:
* The ongoing charges figure is based on expenses. disclose the basis of calculating the ongoing charges or due to material change(s), rebates or fee waivers.

2. What is this product?
This is a fund constituted in the form of a unit trust or mutual fund. [For RJS, also state that it is domiciled in (●) and its home regulator is (●)]. [The fund offers both listed and unlisted classes. This document contains information about the offering of unlisted class(es). Investors should refer to a separate offering document for the offering of ETF class(es).]

3. Objectives and Investment Strategy
Objectives [To provide long-term capital growth by investing primarily in (e.g. types of company or industry).]
Strategy [At least (x)% of the Sub-fund's investments]. [Note 1: "Objective" and "Strategy" can be combined under one heading.] [Note 2: If the net derivative exposure of the fund (including UCITS fund) discloses the section headed "Use of derivatives / investment in derivatives" below in more than 100% or more than 100% of its net asset value, the KFS must also disclose the following information: (i) the key risks relating to investments in derivatives with allocation (e.g. liquidity, volatility, leverage, counterparty risks etc.); (ii) the risk of total / significant loss arising from the extensive use of derivatives; and (iii) information relating to the strategy being employed in order to achieve the investment target, or in the absence of strategy, a negative statement.]

4. Investment mix as at (●)
Asset type: country x%
Asset type: country x%

* The SFC may, on an exceptional basis, allow the Product KFS not to form a part of the offering documents of certain UCITS schemes, on the basis of overriding legal requirements of the home jurisdiction.

What is in the KFS of a general fund or an active exchange-traded fund?

5. Use of derivatives / investment in derivatives

ABC [•] Fund [Unlisted Class] (applicable to active ETF)

Use of derivatives / investment in derivatives (please include the required disclosures set out below, as appropriate)

The fund will not use derivatives for any purposes.

☒

The fund's net derivative exposure may be [up to 50%] / [more than 50% but up to 100%] / [more than 100%] of the fund's net asset value.

[Note: The term "net derivative exposure" has the meaning as defined in 7.26 of the UT Code and should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time. A "Guide on the Use of Financial Derivative Instruments for Unit Trusts and Mutual Funds," published by the SFC is available at the SFC website.]

6. Key risks

Investment involves risks. Please refer to the offering document for details including the risk factors.

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[Note 1: If the fund invests in derivatives, please refer to Note 2 under "Strategy" for the relevant risk disclosures required.]

[Note 2: If the fund only uses derivatives for hedging or risk mitigation, you may include such relevant risk factor(s) associated with hedging or risk mitigation as appropriate.]

7. Past performance

How has the fund performed?

• Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

• The computation basis of the performance is based on the calendar year end NAV/To-NAV, with dividend reinvested.

• These figures show by how much the fund/share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in [US\$] including taking into account charges and excluding subscription fee and redemption fee you might have to pay.

• Where no past performance is shown there was insufficient data available in that year to provide performance. [This rule is not required if performance data is available in all the relevant years.]

• Fund launch date: 2003

• [Share class X] launch date: 2006

[Note 1: Where the offering documents of the fund makes reference to a benchmark, the name of such benchmark, should be disclosed herein and a bar showing the performance of that benchmark for the period shall be included in the chart alongside each bar showing the fund's past performance.]

Note 2: Where there is material change(s), the period prior to such material change(s) shall continue to be shown and be indicated on the chart and labeled with a clear and prominent warning that the performance was achieved under circumstances that no longer apply with notes briefly explaining the nature of the material change(s).]

5. Use of derivatives/investment in derivatives

- Describing the extent of use of derivatives.

6. Key risks

- Disclosing the major risk factors based on the fund's investment strategy and the types of assets invested (including key risks relating to investments in derivatives).

7. Past performance

- Showing how much the fund (or its representative share class) (and the fund's benchmark, if applicable) has (have) changed in value over the period being shown and the computation basis.

What is in the KFS of a general fund or an active exchange-traded fund?

ABC (■) Fund (Unlisted Class) (applicable to active ETF)

8. Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges? [Note: In the case of an umbrella fund, if the umbrella fund has already produced a schedule in a separate document setting out the fees and charges for all sub-funds of the umbrella fund which will be distributed with this statement, the following information is not necessary. If this is the case, please insert a statement to the effect that investors should read the separate fees schedule for details.]

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the fund.

Fee	What you pay
Subscription fee	Up to ■% of the amount you buy.
Switching fee	■%
Redemption fee	■%

[Note: If there are other fees that investors have to pay when dealing in units of the fund, please also state here, using the same format.]

Ongoing fees payable by the fund

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

Management fee	Annual rate (as a % of the fund's value)
The fund pays a management fee to the fund manager (optional)	■%
Custodian fee	■%
The fund pays a custodian fee to the custodian (optional)	■%
Performance fee	■% (+ computation basis)
The fund pays a performance fee to the fund manager (optional)	■%
Administration fee	■%
The fund pays an administration fee to the fund administrator (optional)	■%

[Note 1: If there are other types of ongoing fees payable by the fund, please also state here, using the same format.]
 [Note 2: If only the current annual rate is disclosed, please add a note stating that the current annual rate may be increased up to a specified permitted maximum level as set out in the offering document by giving (■) month(s) prior notice to the investors.]

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ABC (■) Fund (Unlisted Class) (applicable to active ETF)

Other fees

You may have to pay other fees when dealing in the units of the fund.

Additional information

- You generally buy and redeem units at the fund's next-determined net asset value (NAV) after [Hong Kong representative/ distributor] receives your request in good order on or before [■] being the dealing cut-off time. Hong Kong representative/ distributor may impose different dealing deadlines for receiving requests from investors.
- The net asset value of this fund is calculated and the price of units published each "business day". [They are available online at [■].]
- You may obtain the past performance information of other share classes offered to Hong Kong investors from [access to obtain such information (e.g. by reference to the fund managers' website)].
- You may obtain information on the intermediaries from [access to obtain the relevant information (e.g. by reference to the fund managers' website)] [Optional]

[Additional disclosure applicable to Active ETF with unlisted class]

- In addition, you may obtain the following information of the fund at the following website at [■]
 - Full portfolio information on a monthly basis (updated within one month of the end of each month) [please specify the frequency if updated on a more frequent basis]
 - [Information on the securities financing transactions (such as counterparty exposure and collateral information)]

Important

If you are in doubt, you should seek professional advice.
 The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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9. Fees and charges

- Listing out fees payable when dealing in the fund's units, including subscription fee, switching fee and redemption fee. For ETF class, it will set out the brokerage fee and other charges incurred when trading its units on the Stock Exchange of Hong Kong.
- Also setting out the ongoing fees deducted directly from the fund, including management fee and performance fee (if any) charged by the fund manager, and fees charged by the custodian, trustee and/or administrator, etc.

10. Additional information

For unlisted class

- Indicating the dealing cut-off time for the subscription or redemption of the fund. Subscription and redemption orders received before cut-off time are generally executed at the fund's next determined net asset value (NAV).
- Telling you where to find the fund price.
- Telling you where to obtain information about the past performance of other share classes of the fund (if any) offered to Hong Kong investors.
- For unlisted class of active ETF, showing you the fund's website address where you can find the full portfolio information (updated at least on a monthly basis), and information on securities financing transactions, if applicable.

For ETF class

Showing you the fund's website address where you can find the following information:

- Last NAV and the last NAV per unit of the fund.
- The real time or near-real time indicative NAV per unit throughout each dealing day.
- List of participating dealers and market makers.
- Full portfolio information (updated at least on a monthly basis).
- Past performance of other share classes offered to Hong Kong investors, if any.
- Information on securities financing transactions, if applicable.

8. Guarantee, if any

- Setting out the fund does not have any guarantees and may not pay you back the full amount or any portion of the money you invested.

What is in the KFS of a guaranteed fund or fund with structured pay-outs?

A guaranteed fund's minimum return is usually guaranteed at a pre-determined percentage of the investment sum subject to certain pre-determined conditions.

A fund with structured pay-outs seeks to achieve their investment objectives by investing substantially in financial derivative instruments. These funds are passively managed and offer structured pay-outs when certain pre-determined conditions are met.

KFS template of a guaranteed fund or fund with structured pay-outs

1. Issuer's name and logo

2. Product name and type, e.g. ABCI • % guaranteed fund

3. This statement provides you with key information about this product. This statement is a part of the offering document. You should not invest in this product based on this statement alone.

4. Objectives and Investment Strategy

5. What are the key risks?

The Product KFS provides additional information that explains the specific features relevant to these funds.

1. Product profile

- Guaranteed funds: You will find what financial instruments the fund may invest in, level of the capital guarantee, and guaranteed coupon, if any.
- Funds with structured pay-outs: You will find the type(s) of financial derivatives that the fund may invest in, and the fact that the fund is passively managed and offers structured pay-outs if certain pre-determined conditions are met.

2. Objectives and investment strategy

- Depending on the fund's investment strategy, this section may provide details of its structure, for example, if the fund's exposure to a particular index is achieved through a swap arrangement, then the details of that index as well as the swap counterparties and types of collateral (or other investments serving similar purposes) will be included.

3. Key terms of the guarantee (only applicable to guaranteed funds)

- Identifying the name of the guarantor.
- Describing scope of the guarantee.
- Indicating condition(s) under which the fund or guarantee will be terminated.

4. When will you lose your money?

- Setting out circumstances that you may not get back the amount of money you invested, for example, the risk of counterparty's default and the risk of the guarantor's default.

5. Scenarios analysis

- For funds offering structured pay-outs, this section tells you the potential pay-outs under the worst-case, base-case and best-case scenarios where appropriate.

What is in the KFS of an index fund or passive exchange-traded fund?

Since an index fund or passive exchange-traded fund (ETF) tracks or replicates the performance of an underlying index, the details of the underlying index and the index tracking strategies adopted must be described in the KFS.

PRODUCT KEY FACTS
 [Product name and type, e.g. ABC] [ETF] [ETF Class(s)] [ABC] [Index Fund] [ETF Class(s)]
 [Date]

This is a passive exchange traded fund.
 This statement provides you with key information about this product.
 This statement is a part of the offering document.
 You should not invest in this product based on this statement alone.

Quick facts

Fund Manager: [] Trading lot size: [] units
 (Include designation (if any) - specify name and location of delegate and whether allocation is internal or external.) []

Custodian: [] Base currency: []
 [] Trading currency: []
 [] Underlying Index: []

Ongoing charges over a year*: Class X [] / Class Y []
 (Estimated annual tracking difference or Tracking difference of the last calendar year** [] / Dividend policy: []
 Financial year end of the fund: [] / Fund website: []

Finance year end of the fund: []
 *The ongoing charges figure is based on expenses for the year ended (date). This figure may vary from year to year. (Please disclose the basis of calculating the ongoing charges including, for example, when estimates are used for newly set-up fund or due to material changes), rebates or fee waivers.) []
 **This is an estimated annual tracking difference. Investors should refer to the fund website for information on the actual tracking difference or (This is the actual tracking difference of the last calendar year. Investors should refer to the fund website for more up-to-date information on actual tracking difference.) []

What is this product?
 This is a fund constituted in the form of a unit trust / mutual fund. (For RJIS, also state that it is domiciled in [] and its home regulator is []) [The fund offers both listed and unlisted classes. This document contains information about the offering of unlisted classes. Investors should refer to a separate offering document for the offering of ETF class(es).]

Objectives and Investment Strategy

Objectives
 (Include details)

Strategy
 (Include details)

Collateral/Counterparties
 (Include details)

Index
 (Include details of index and website where information on the index constituents and their respective weightings is published.)

Use of derivatives / investment in derivatives (please include the required disclosures set out below as appropriate)

The fund will not use derivatives for any purposes.

Or:

The fund's net derivative exposure may be (up to 50%) / (more than 50% but up to 100%) / (more than 100%) of the fund's net asset value.

[Note: The term "net derivative exposure" has the meaning as defined in 7.26 of the U7 Code and should be calculated in accordance with the requirements and published by the SFC when they are available from the SFC. [Guidelines on Use of Financial Derivatives Instruments for Unit Trusts and Mutual Funds](#), published by the SFC is available at the SFC website.]

What are the key risks?
 Investment involves risks. Please refer to the offering document for details including the risk factors.
 []
[Note: If the fund invests in financial derivative instruments, please include the risks involved.]

KFS template of an index fund or passive ETF

PRODUCT KEY FACTS
 [Product name and type, e.g. ABC] [] [Index Fund] [Unlisted Class(s)] [ABC] [ETF] [Unlisted Class(s)]
 [Date]

This statement provides you with key information about this product.
 This statement is a part of the offering document.
 You should not invest in this product based on this statement alone.

Quick facts

Fund Manager: []
 (Include designation (if any) - specify name and location of delegate and whether allocation is internal or external.) []

Custodian: []
 Ongoing charges over a year*: Class X [] / Class Y []
 (Estimated annual tracking difference or Tracking difference of the last calendar year** [] / Dividend policy: []
 Financial year end of the fund: [] / Fund website: []

Finance year end of the fund: []
 *The ongoing charges figure is based on expenses for the year ended (date). This figure may vary from year to year. (Please disclose the basis of calculating the ongoing charges including, for example, when estimates are used for newly set-up fund or due to material changes), rebates or fee waivers.) []
 **This is an estimated annual tracking difference. Investors should refer to the fund website for information on the actual tracking difference or (This is the actual tracking difference of the last calendar year. Investors should refer to the fund website for more up-to-date information on actual tracking difference.) []

What is this product?
 This is a fund constituted in the form of a unit trust / mutual fund. (For RJIS, also state that it is domiciled in [] and its home regulator is []) [The fund offers both listed and unlisted classes. This document contains information about the offering of unlisted classes. Investors should refer to a separate offering document for the offering of ETF class(es).]

Objectives and Investment Strategy

Objectives
 (Include details)

Strategy
 (Include details)

Collateral/Counterparties
 (Include details)

Index
 (Include details of index and website where information on the index constituents and their respective weightings is published.)

*The SFC may, on an exceptional basis, allow the Product KFS not to form a part of the offering documents of certain UCITS schemes, on the basis of overriding legal requirements of the home jurisdiction.

PRODUCT KEY FACTS
 [Product name and type, e.g. ABC] [ETF] [ETF Class(s)] [ABC] [Index Fund] [ETF Class(s)]
 [Date]

This is a passive exchange traded fund.
 This statement provides you with key information about this product.
 This statement is a part of the offering document.
 You should not invest in this product based on this statement alone.

Quick facts

Stock code: [] Trading lot size: [] units
 (Include designation (if any) - specify name and location of delegate and whether allocation is internal or external.) []

Custodian: [] Base currency: []
 [] Trading currency: []
 [] Underlying Index: []

Ongoing charges over a year*: []
 (Estimated annual tracking difference or Tracking difference of the last calendar year** [] / Dividend policy: []
 Financial year end of the fund: [] / Fund website: []

Finance year end of the fund: []
 *The ongoing charges figure is based on expenses for the year ended (date). This figure may vary from year to year. (Please disclose the basis of calculating the ongoing charges including, for example, when estimates are used for newly set-up fund or due to material changes), rebates or fee waivers.) []
 **This is an estimated annual tracking difference. Investors should refer to the fund website for information on the actual tracking difference or (This is the actual tracking difference of the last calendar year. Investors should refer to the fund website for more up-to-date information on actual tracking difference.) []

What is this product?
 This is a fund constituted in the form of a unit trust / mutual fund (and is a sub-fund of []) [For overseas domiciled funds, also state that it is domiciled in [] and its home regulator is []] [The units (or ETF class) of the (name of the fund) are listed on The Stock Exchange of Hong Kong Limited ("SEHK"). These units are traded on SEHK like listed stocks. (The fund offers both listed and unlisted classes. This document contains information about the offering of ETF class(es). Investors should refer to a separate offering document for the offering of unlisted class(es).]

Objectives and Investment Strategy

Objectives
 (Include details)

Strategy
 (Include details)

Collateral/Counterparties
 (Include details)

Index
 (Include details of index and website where information on the index constituents and their respective weightings is published.)

Use of derivatives / investment in derivatives (please include the required disclosures set out below as appropriate)

The fund will not use derivatives for any purposes.

Or:

The fund's net derivative exposure may be (up to 50%) / (more than 50% but up to 100%) / (more than 100%) of the fund's net asset value.

[Note: The term "net derivative exposure" has the meaning as defined in 7.26 of the U7 Code and should be calculated in accordance with the requirements and published by the SFC when they are available from the SFC. [Guidelines on Use of Financial Derivatives Instruments for Unit Trusts and Mutual Funds](#), published by the SFC is available at the SFC website.]

What are the key risks?
 Investment involves risks. Please refer to the offering document for details including the risk factors.
 []
[Note: If the fund invests in financial derivative instruments, please include the risks involved.]

1. Quick facts

- Apart from certain key facts, this section also sets out the tracking difference of the last calendar year of the passive ETF or index fund (which is the return difference between the passive ETF or index fund and its underlying index over that year.)
- For ETF class, stock code, trading lot size, trading currency and fund website are also listed here.

2. Product profile

- Telling you whether the fund is a unit trust or mutual fund, its domicile and home regulator and whether it offers both ETF class and unlisted class.
- For ETF class, it will indicate that its units are listed and traded on The Stock Exchange of Hong Kong.

3. Objectives and investment strategy

- This section tells you the details of the underlying index and what investment strategy that the fund adopts to replicate the performance of the index.
- If the index fund or passive ETF adopts a synthetic replication strategy, you will also find the selection criteria of the counterparties issuing the financial derivatives that the fund invests in and the nature of collateral (or other investments serving similar purposes), if any.

4. Use of derivatives/investment in derivatives

- Describing the extent of use of derivatives.

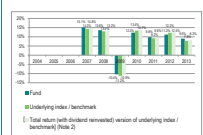
5. Key risks

- Disclosing the major risk factors based on the fund's investment strategy and the types of assets invested (including key risks relating to investments in derivatives).

What is in the KFS of an index fund or passive exchange-traded fund?

6.

How has the fund performed?



• Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
 • The computation basis of the performance is based on the calendar year end, less 1% NAV, with dividend reinvested.
 • These figures show how much the fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in [USD] using the account opening charges and excluding your trading costs on SEHK.
 • Where no past performance is shown, there was insufficient data available in that year to provide performance. (This note is not repeated if performance data is available in all of the relevant years.)
 • Fund launch date: 2006
 • [Share class X] launch date: 2008

Note 1: A bar showing the performance of the underlying index / benchmark for the period shall be included in the chart alongside each bar showing the fund's past performance.
 Note 2: Where the fund tracks a price return index / benchmark, performance of total return index / benchmark where it is available should be shown in addition to the performance of the price return index / benchmark when presenting the fund's past performance.
 Note 3: Where there is material change(s), the period prior to such material change(s) shall continue to be shown and be indicated on the chart and labeled with a clear and prominent warning that the nature of the material change(s).

Is there any guarantee?

This fund does not have any guarantee. You may not get back the amount of money you invest.

7.

8.

What are the fees and charges? (Note: in the case of an umbrella fund, if the umbrella fund has already produced a schedule in a separate document setting out the fees and charges for all sub-funds of the umbrella fund which will be distributed with this statement, the following information is not necessary. If this is the case, please insert a statement to the effect that investors should read the separate fees schedule for details.)

Charges incurred when trading the fund on SEHK

Fee	What you pay
Brokerage fee	<input type="checkbox"/>
Transaction levy	<input type="checkbox"/> % of the trading price
Trading fee	<input type="checkbox"/> % of the trading price
Stamp duty	<input type="checkbox"/>
Inter-counter transfer	<input type="checkbox"/>

Ongoing fees payable by the fund

The following expenses will be paid out of the fund. They affect you because they reduce the NAV of the fund which may affect the trading price.

Fee	Annual rate (as a % of the fund's value)
Management fee	<input type="checkbox"/> %
Custodian fee	<input type="checkbox"/> %
Performance fee	<input type="checkbox"/> % (+/- computation basis)
Administration fee	<input type="checkbox"/> %

Other fees

You may have to pay other fees when dealing in the units of the fund.

9.

Additional Information

You may obtain the following information of the fund at the following website at []

- Last NAV and the last NAV per unit of the fund in [currency]
- The real time or near-real time indicative NAV per unit throughout each Dealing Day in [currency]
- List of participating dealers and market makers
- Full portfolio information on a monthly basis (updated within one month of the end of each month) (please specify the frequency if updated on a more frequent basis)
- [The past performance information of other share classes offered to Hong Kong investors]
- The tracking difference and tracking error of the fund
- Information on securities financing transactions (such as counterparty exposure and collateral information)
- Information on financial derivative instruments (such as counterparty exposure and collateral information)

Important

If you are in doubt, you should seek professional advice.
 The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

6. Past performance

- This section shows how much both the passive ETF or index fund (or its representative share class) and its underlying index have changed in value over the period and the computation basis.

7. Guarantee, if any

- Setting out the fund does not have any guarantees and may not pay you back the full amount or any portion of the money you invested.

8. Fees and charges

- Besides ongoing fees payable by the fund, this section also sets out relevant charges incurred when dealing in or trading the fund units depending on whether the units are from the unlisted class or ETF class.

9. Additional information

For ETF class

Showing you the fund's website address where you can find the following information:

- Last net asset value (NAV) and the last NAV per unit of the fund.
- The real time or near-real time indicative NAV per unit throughout each dealing day.
- List of participating dealers and market makers.
- Full portfolio information (updated at least on a monthly basis).
- Past performance of other share classes offered to Hong Kong investors, if any.
- The tracking difference and tracking error of the fund.
- Information on securities financing transactions, if applicable.
- Information on financial derivative instruments, if applicable.

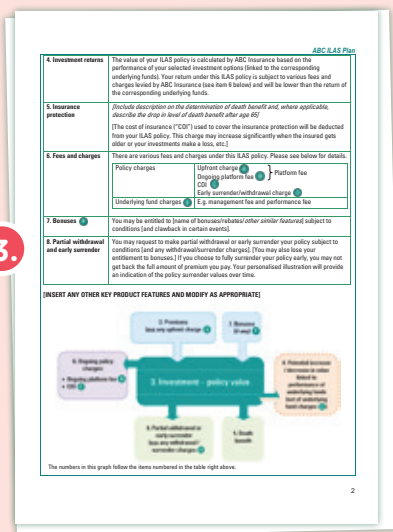
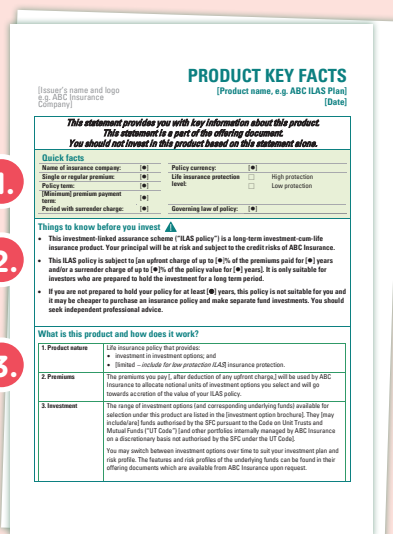
For unlisted class

- Indicating the dealing cut-off time for the subscription or redemption of the fund. Subscription and redemption orders received before cut-off time are generally executed at the fund's next-determined NAV.
- Telling you where to find the fund price.
- Telling you where to obtain information about the past performance of other share classes of the fund (if any) offered to Hong Kong investors.
- For unlisted class of passive ETF, showing you the fund's website address where you can find the full portfolio information (updated at least on a monthly basis), tracking difference & tracking error of the fund, information on securities financing transactions and information of financial derivative instruments, if applicable..

What is in the KFS of an investment-linked assurance scheme?

An investment-linked assurance scheme (ILAS) is a long-term investment-cum-life insurance product. The KFS of an ILAS will disclose key features and risks prominently to help the public better understand the product, including the enhanced total policy charges illustration.

KFS template of an ILAS



1. Quick facts

- Listing out the basic information of the ILAS, including the name of the insurance company, single or regular premium, policy term, premium payment term, policy currency, period with surrender charge and governing law of policy.
- Indicating whether the ILAS provides high or low level of life insurance protection. High protection means the ILAS provides a death benefit of at least 150% of total premium payable before the insured reaches age 65. Otherwise, it will be regarded as low protection.

2. Things to know before you invest

- Explaining that the ILAS is an investment-cum-life insurance product and it is only suitable for investors who are prepared to hold the investment for a long term period.
- Reminding that if you are not prepared to hold the ILAS for the indicated minimum holding period, the policy is not suitable to you and there may be other lower cost options that you can consider, e.g. having a separate insurance policy and fund investments. You should seek independent professional advice.

3. What is this product and how does it work?

This section shows the key product profiles and provides an illustration to explain how it works:

- Product nature: It is a life insurance policy that provides investment in investment options and insurance protection.
- Premiums: The premium paid (after deduction of any upfront charges) will be used to allocate to notional units of the investment options you selected.
- Investment: A range of investment options is available for selection under the ILAS. Their corresponding underlying/reference funds* may include SFC-authorized funds or other discretionary portfolios internally managed by the insurance company. You should refer to the investment option brochure for the range of investment options available and refer to the offering documents of the underlying/reference funds for fund profiles and risk factors.
- Investment returns: Telling you that the ILAS's value is linked to the performance of the investment options you selected. But the return of the ILAS will be lower than the corresponding underlying/reference funds as the ILAS is subject to various fees and charges levied by the insurance company.
- Insurance protection: Including description of the determination of death benefit and explaining the cost of insurance.
- Fees and charges: Listing of the various fees and charges under the ILAS.
- Bonuses: Listing out the bonuses/rebates/other similar features in which you may be entitled to.
- Partial withdrawal and early surrender: Highlighting the consequence/impact to your policy if you make a partial withdrawal or early surrender. For example, you may have to pay a surrender charge which may be significant in early years and you may not get back the full amount of premium you paid as well as lose your entitlement to bonuses. You should refer to the fees and charges table for details.

* If the insurance company invests the net premium received from the scheme participants into the funds corresponding to the investment options selected by the participants for its own asset liability management purpose, the term "underlying funds" will be used; otherwise, the insurance company should adopt the term "reference funds".

What is in the KFS of an investment-linked assurance scheme?

4. Key risks

- Disclosing the major risk factors based on the nature and product features of the ILAS. As an investment-cum-life insurance product, an ILAS incurs both investment risks and risks associated with the nature of an ILAS, including but not limited to credit and insolvency risks of the insurance company, no ownership over assets, limited life protection after the age of 65 (applicable to high life protection ILAS), early termination risks, market and foreign exchange risks. Also, investment options available can have very different features and risk profiles and some options may be of high risk.

5. Fees and charges

(1) Policy charges payable to the insurance company

- Total policy charges illustration: To provide a full picture of the charges at the policy level, this section uses a scenario of an insured being a non-smoking 40 year-old male to illustrate total policy charges he pays over holding periods of 10, 15 and 20 years. The total policy charges include platform fees (net of bonuses) and cost of insurance, but do not include charge on early surrender and partial withdrawal, and are expressed as a percentage of the premium paid over the respective holding periods. The calculations are based on certain assumptions. The actual percentages may change depending on individual circumstances of each case, and will be affected by the premium amount, sum insured and performance of underlying investments you selected.
- The estimated total platform fee (net of bonuses) figures over the respective holding periods are translated to a single all-in annual fee charged as a percentage of policy value per year, so that you will be able to know how much you are paying on average per year for such holding period.
- Breakdown of policy charges: Listing out the fee rates of all policy charges. In particular, apart from the platform fee and cost of insurance protection, there may be a surrender charge which could significantly reduce the amount you receive upon policy surrender in early years. Apart from the fee/charge rates, this section also discloses when and how the fees/charges are deducted.

(2) Underlying/reference fund charges

- Underlying/reference funds corresponding to the investment options have separate fees and charges on top of the policy charges. Such charges will be deducted and reflected in the unit price of the underlying/reference funds. You should refer to the offering document of the underlying/reference funds for these charges.



ABC ILAS Plan

What are the key risks?
Investment involves risks. Please refer to the principal brochure of ABC ILAS Plan for details including the risk factors.

- Credit and insolvency risks** – This product is an insurance policy issued by ABC Insurance. Your investments and insurance protection are subject to the credit risks of ABC Insurance.
- No ownership over assets** – All premiums you pay towards your ILAS policy, and any investments made by ABC Insurance in the underlying funds, will become and remain the assets of ABC Insurance. You do not have any rights or ownership over any of those assets. Your recourse is against ABC Insurance only.
- Limited life protection after age 65** – This ILAS policy will no longer provide high life protection when the insured reaches age 65 and the amount of death benefit payable may be significantly reduced. *(Include for high protection ILAS with similar features)*
- Insurance benefits are at risk** – As [part of] your death benefit is linked to the performance of the investment options you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable [may be significantly less than your premiums paid] and may not be sufficient for your individual needs.
- Market risks** – Return of this ILAS policy is contingent upon the performance of the underlying funds corresponding to the investment options you selected and therefore there is a risk of capital loss.
- Some investment options have higher risk** – The investment options available under this product can have very different features and risk profiles. Some may be of high risk. *(Include risks associated with specific investment options. For example,*
 - Investment options linked to derivative funds have high exposure to financial derivative instruments which may lead to a high risk of significant loss.
 - Some investment options linked to funds that pay dividends out of capital which may result in an immediate reduction of the funds' net asset value per unit and hence reduce the value of your ILAS policy.)
- Early termination risks** – Reduction or suspension of premium contribution (during premium holiday), or withdrawal from the policy, may significantly reduce the value of the ILAS policy while all fees and charges are still deductible. Poor performance of the underlying funds may further magnify your investment losses. If the value of your ILAS policy becomes insufficient to cover all the ongoing fees and charges, your ILAS policy may be terminated early and you could lose all your premiums paid and benefits.
- Foreign exchange risks** – The investment returns of your ILAS policy may be subject to foreign exchange risks as some of the underlying investments may be denominated in a currency which is different from that of your ILAS policy.

[INSERT ANY OTHER KEY RISKS WHERE RELEVANT]

Is there any guarantee?
(This ILAS policy does not have any guarantees. You may not get back the full amount of premium you pay.)



ABC ILAS Plan

What are the fees and charges?

Total policy charges illustration

	Estimated policy charges for a non-smoking 40 year-old male over the respective holding periods (% of premiums) (Note 1)		
	10 years	15 years	20 years
Platform fee (net of bonuses) ①	Equivalent to 0.5% of policy value per year	Equivalent to 0.5% of policy value per year	Equivalent to 0.5% of policy value per year
COI ②	0.5%	0.5%	0.5%
Total	1.0%	1.0%	1.0%

The actual percentage(s) may change depending on individual circumstances of each case, and will be significantly higher if the premium amount is lower, the sum insured is higher and/or your selected underlying investments are making losses.

Policy charges payable to ABC Insurance

	Annualised rate	When and how the charges are deducted
Platform fee ①	0.5%	(Deduct upfront from each premium you pay)
Ongoing platform fee ①	0.5%	(Deduct from policy value monthly while the policy is in effect by redeeming units of investment options)

Cost of insurance protection

COI ②	(Insert determination basis of COI) Please ask your intermediaries and/or refer to the customised illustration documents for the details.	(Deduct from policy value monthly while the policy is in effect by redeeming units of investment options)
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Charge on early surrender (or partial withdrawal)

Early surrender/withdrawal charge ③	1.0%	(Deduct from policy value upon early surrender/partial withdrawal during the first [●] policy years)
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[ABC Insurance may vary the charges or impose new charges with not less than [1] month prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.]

Underlying funds charges ④

Underlying funds corresponding to the investment options have separate fees and charges on top of the policy charges set out above. Such charges will be deducted and reflected in the unit price of the underlying funds.

What is in the KFS of an investment-linked assurance scheme?

6. Intermediaries' remuneration

- Indicating that the intermediary will receive remuneration which will be borne out of the charges paid by you and is therefore not independent, and the intermediary should disclose in writing at the point-of-sale information about the intermediary remuneration.
- Indicating that the amount of remuneration actually receivable by the intermediary may vary from year to year and may be higher in the early policy years. You should ask for more details about intermediary remuneration before taking up an ILAS. If you ask, your intermediary should disclose the requested information to you.

7. Changing your mind

- This section describes how you can exercise your right to unwind or cancel your policy during the cooling-off period.
- If you cancel your policy within the cooling-off period, you may get back the amount you paid, or less if the value of the investment options chosen has gone down.

6.

ABC ILAS Plan

Intermediaries' remuneration

- Although you may pay nothing directly to the intermediary who sells/distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay and is therefore not independent. Your intermediary should disclose to you in writing at the point-of-sale information about intermediary remuneration.
- The amount of remuneration actually receivable by your intermediary may vary from year to year and may be higher in the early policy years. You should ask your intermediary before taking up your ILAS policy to know more about the remuneration that your intermediary will receive in respect of your ILAS policy. If you ask, your intermediary should disclose the requested information to you.

What if you change your mind?

– Cooling-off period

- Cooling-off period is a period during which you may cancel this policy and get back your original investments (subject to market value adjustment) within the earlier of 21 calendar days immediately following the day of delivery of the policy or a notice to you or your representative. Such notice should inform you of, among other things, the availability of the policy and expiry date of the cooling-off period.
- You have to tell ABC Insurance by giving a written notice. Such notice must be signed by you and received directly by ABC Insurance at [Address of the issuer's Hong Kong Main Office].
- You may get back the amount you paid, or less if the value of the investment options chosen has gone down.

Additional information

- You should read the principal brochure of ABC ILAS Plan and the offering documents of the underlying funds, which are available from ABC Insurance upon request, for details of the product features, risks and charges.

[INSERT ANY OTHER ADDITIONAL IMPORTANT INFORMATION]

Insurance company's information

[Name of insurance company] Phone: [●]
Address: [●] Email: [●]
Website: [●]

Important

ABC Insurance is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including the ABC ILAS plan referred to in this statement.

If you are in doubt, you should seek professional advice.
The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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What is in the KFS of a structured investment product?

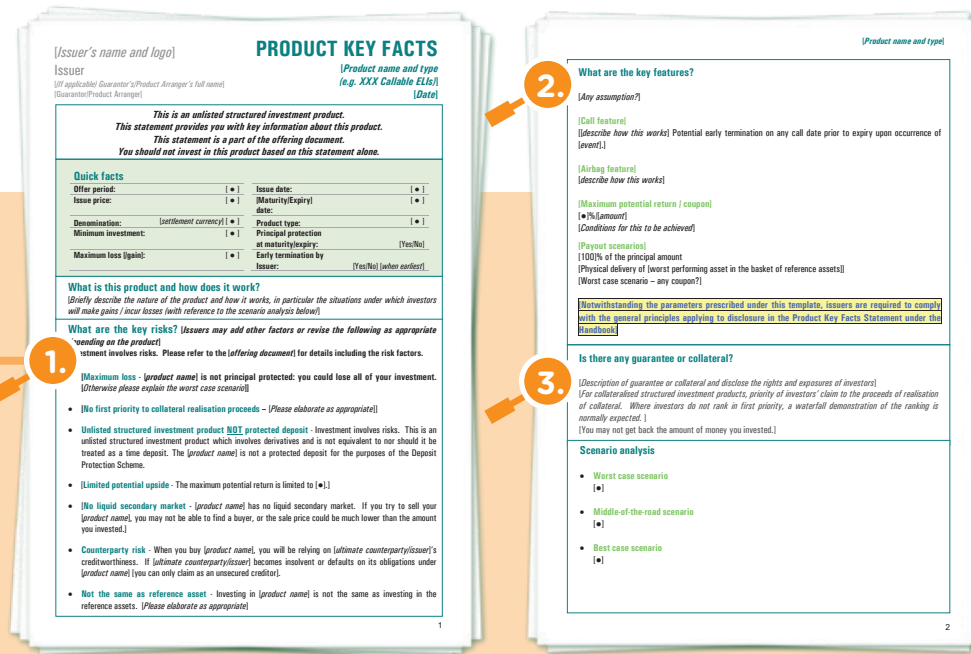
Unlisted structured investment products (SIP) involve derivatives arrangements. Popular SIP include equity-linked investments, equity-linked deposits and commodity-linked deposits. Their potential payouts are linked to the performance of the respective reference assets.

An SIP's KFS can give you a quick guide on how the structured product works and what the key risks are.

1. Key risks

Where applicable, an SIP's KFS usually contains the following risk factors:

- The product is not principal protected. You may lose all your investment in the worst-case scenario.
- You have no first priority to claim the proceeds from realisation of the collateral (if any).
- SIP are not time deposits. They are not covered by the Deposit Protection Scheme.
- The maximum potential gain is capped.
- There is usually no liquid secondary market or just limited market making arrangement. That means you may not be able to sell an SIP before maturity or the sale price could be much lower than the amount you invested.
- When you buy an SIP, you will be relying on the creditworthiness of the issuer or ultimate counterparty.
- Investing in the product is not the same as investing in the reference assets to which the product is linked.



KFS template of an SIP

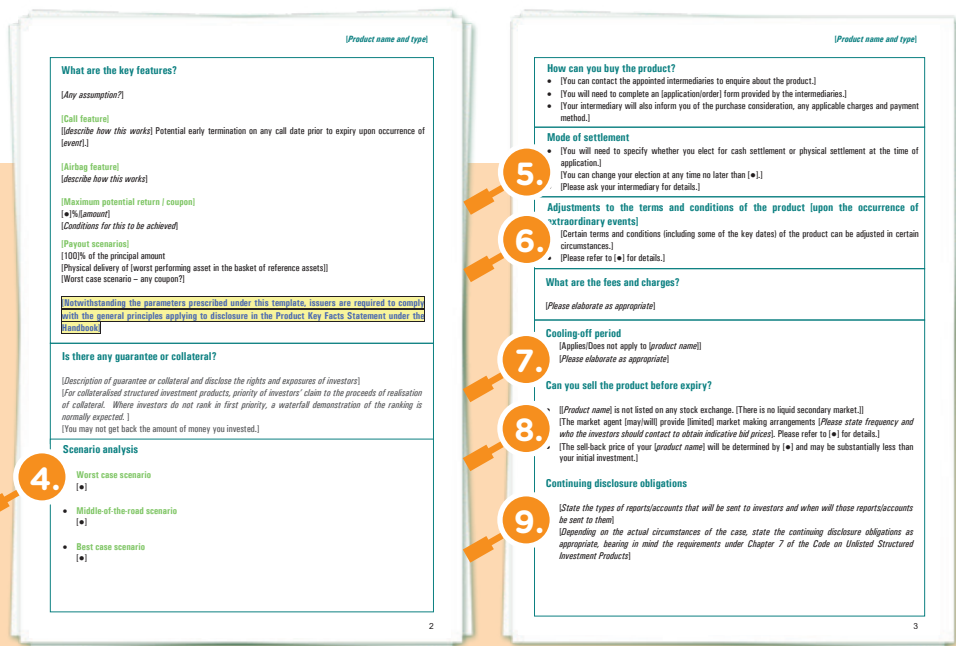
2. Key features

- Explaining special features such as call and airbag, if any.
- Telling you the maximum potential gain and the conditions for this to be achieved.
- Describing different payout scenarios, including any coupon in the worst-case scenario, and whether the product will be physically settled by delivery of the reference assets.

3. Any guarantee or collateral

- Disclosing details of guarantee or collateral, if any.
- Explaining your rights and exposures, e.g. you may not have the first priority to claim proceeds from realisation of the collateral and get back the amount of money you invested.

What is in the KFS of a structured investment product?



4. Scenario analysis

- Setting out the best, middle-of-the-road and, at the very least, the worst-case scenarios.

5. Mode of settlement

- Setting out cash or physical settlement upon maturity, if applicable.

6. Adjustments to product's terms and conditions

- Showing if certain terms and conditions, including some of the key dates, can be adjusted upon the occurrence of extraordinary events.

7. Cooling-off period

This section sets out if there is a post-sale cooling-off period for the product. If so, get to know the details of your cooling-off rights, including:

- How long the cooling-off period will last after placing an order
- How to exercise your cooling-off right
- How the amount of refund is calculated and the possibility of a less-than-full refund

8. Whether you can sell the product before expiry?

- Whether there is any market-making arrangement
- If so, how frequent the market-making will be and who to contact to obtain indicative bid prices
- The possibility of a sell-back price being substantially lower than your initial investment

9. Continuing disclosure obligations

This section explains the ongoing disclosure obligations of the issuer, e.g. under the circumstances where:

- the issuer or guarantor (as the case may be) ceases to meet any of the eligibility requirements;
- there are any material adverse changes regarding the ability of the issuer (or, if applicable, guarantor or counterparty) to fulfil its obligations; or
- there is any failure of a material portion of the collateral.

Check the offering document for further information

A KFS is no substitute for the offering document which contains information necessary for prospective investors to be able to make an informed judgment of the investment. For example, a fund's offering document lists the investment objectives and restrictions, its characteristics, risk disclosure, fees, dealing procedures, conditions leading to deferral, suspension or even termination of the fund, as well as sources of further information.

Don't rely solely on a KFS, you must check the offering document for further information before deciding whether or not to invest in a product.

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