



Appendix B:
Proposed illustrative templates for
Product Key Facts Statements



Illustrative templates for product key facts statements

(To be made available on the Commission's website for reference upon the implementation of the finalised Handbook)

<u>Illustrative templates for:</u>	<u>Page</u>
(1) General Funds	1
(2) Guaranteed Funds / Funds with Structured Pay-outs	5
(3) Exchange Traded Funds	9
(4) Index Funds	13
(5) Investment-Linked Assurance Schemes	17
(6) Unlisted Structured Products	21



Product Key Facts Statement Template for General Funds



PRODUCT KEY FACTS

[Issuer's name and logo]
Issuer

[Product name and type, e.g. ABC [●] Fund]

[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

Launch date:	[●]	Fund Manager:	[●]
		<i>[Include delegation (if any) - specify name and location of delegate and whether delegation is internal or external]</i>	
Total assets as of [date]:	[●]	Custodian:	[●]
Total expense ratio (optional):	[●]%	Dealing frequency	[●]
Base currency:	[●]	Dividend:	[●]
Financial year end of this fund:	[●]	Min. investment:	\$(●) initial, \$(●) additional

What is this product?

This is a fund constituted in the form of a unit trust / mutual fund. *[For RJS, also state that: It is domiciled in [●] and its home regulator is [●]. The fund is subject to regulatory requirements which may not be entirely equivalent to those applicable to retail funds domiciled in Hong Kong. Ask your intermediary for more information, if in doubt.]*

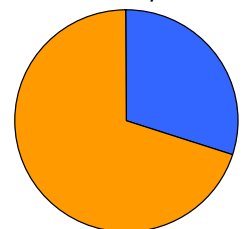
What are the investment objectives and strategy?

[Include details]

[Note: If the fund is a UCITS III fund and uses expanded powers, please clearly state so.]

Investment mix

as at [●]
Asset type/
country
y%



Asset type/country
x%

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]

Is there any guarantee?

Like most funds, 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.]*

Initial charges which may be payable by you

You may have to pay the following fees when you purchase units of the fund.

Fee	What you pay
Subscription fee	Up to [●]% of the amount you buy.

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.

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

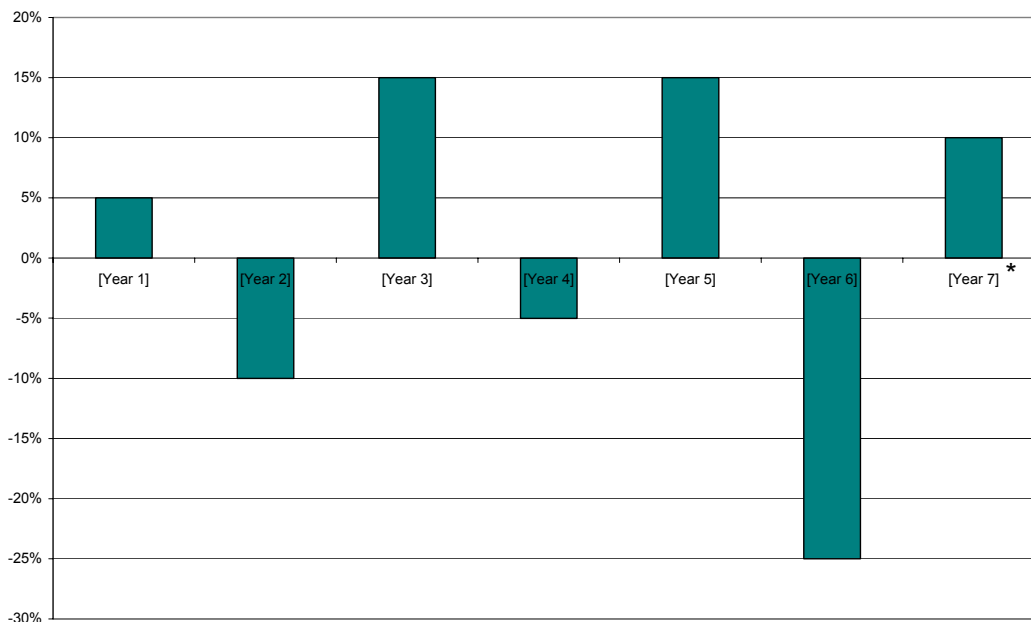
Other fees

You may have to pay other fees when you switch or redeem your investment.

Fee	What you pay
Switching fee	[●]
Redemption fee	[●]

How has the fund performed? *[Note: the provision of performance information is optional]*

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



* Performance of [●] months up to [Year 7].

The computation basis of the performance is based on the last business day of year/period end, NAV-To-NAV, with dividend reinvested.

These figures show by how much the fund increased or decreased in value during the calendar year being shown. They reflect ongoing fees taken from the fund, but do not include the effect of any subscription fee you might have to pay. Ask your intermediary for more information about these. *[Note: if a fund uses a benchmark as a basis, the benchmark should be mentioned]*

Additional Information

- You generally buy and redeem units at the fund's next-determined net asset value (NAV) after [●] receives your request in good order on or before [●] being the dealing cut-off time.
- The net asset value of this fund is calculated and the price of units published each "business day". [They are available online at [●].]

[Insert any other additional important information.]

Intermediaries' information

[Name of intermediary]	Phone: [●]
Address: [●]	Fax: [●]
	Email: [●]
	Website: [●]

[Note: As an alternative to providing the details of the intermediaries, details of where investors could obtain information on the intermediaries (e.g. by reference to the fund managers website) may be provided]

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.

Guidance for preparing this statement

1. If you want to include a responsibility statement in this statement, please make sure that such statement is consistent with the responsibility statement in other parts of the offering document.
2. Where a scheme is described as having been authorized by the SFC, please include a SFC non-endorsement statement in this statement pursuant to the requirements of the Code on Unit Trusts and Mutual Funds.
3. Disclosures shall be visually reader-friendly and written in plain language so that investors can easily read and understand them. Use of technical jargon or complex sentences shall be avoided.
4. Use of visual aids, graphs or charts is generally encouraged to illustrate the product structure and features.
Note: For example, structure charts and cashflow diagrams may be used to assist investors' understanding of the product structure.
5. Depending on the actual circumstances of the case, the contents in each statement may differ. Nevertheless, the headings set out in the template above are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers are responsible for what is and what is not to be included in the statement.



**Product Key Facts Statement Template for
Guaranteed Funds /
Funds with Structured Pay-outs**

PRODUCT KEY FACTS

[Issuer's name and logo]
Issuer

[Product name and type, e.g. ABC[●]% guaranteed fund]
[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

Launch date:	[●]	Fund Manager:	[●]
		<i>[Include delegation (if any) - specify name and location of delegate and whether delegation is internal or external]</i>	
Total assets as of [date]:	[●]	Custodian:	[●]
Total expense ratio (optional):	[●]%	Dividend:	[●]
Base currency:	[●]	Min. investment:	[●]
Financial year end of this fund:	[●]		
Dealing frequency:	[●]		

What is this product?

[For guaranteed fund: This is a fund constituted in the form of a [unit trust]. The Fund may invest in *[describe instruments in which the Fund may invest in, for example financial derivative instruments]*.

The Fund offers:

- [●] % capital guarantee at maturity (i.e. [date])
- [●] % guaranteed coupon(s) at [coupon date(s)].

[For fund offering structured pay-outs: The Fund Manager seeks to achieve the Fund's investment objective primarily through investment in or use of [description of financial derivative instruments in which the Fund may invest]. The Fund is passively managed and offers structured pay-outs or return to you.]

[For RJS, also state that: It is domiciled in [●] and its home regulator is [●]. The fund is subject to regulatory requirements which may not be entirely equivalent to those applicable to retail funds domiciled in Hong Kong. Ask your intermediary for more information, if in doubt.]

What are the investment objectives and strategy?

Objective

[Include details]

Strategy

[Include details including any collateral or portfolio of securities held, including the reference to the website for the latest details of counterparties and collaterals.]

If the structure involves primarily a swap or an index, include more details, for example, if the fund invests in an index, include details of the index.

When will you lose your money?

[Include description and refer to the section headed "Scenarios" below.

For example, include the risk of the counterparty's default, the risk of the guarantor's default and the risk of not getting back the amount invested.]

[You may not get back the amount of money you invested.]

What are the key terms of the guarantee?

- Guarantor: [name of guarantor]
- Scope of guarantee: [shortfall between the NAV and the guaranteed unit price at maturity / shortfall between the coupon(s) and the guaranteed coupon(s) at coupon date(s)]

Termination condition(s): [e.g. the Fund Manager is removed at the request of of unitholders holding not less than [●]% in value of the units in issue]

What are the key risks?

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

[●]

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.]*

Initial charges which may be payable by you

You may have to pay the following fees when you purchase units of the fund.

Fee	What you pay
Subscription fee	Up to [●]% of the amount you buy.

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.

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

Other fees

You may have to pay other fees when you switch or redeem your investment.

Fee	What you pay
Switching fee	You may be charged up to [●]% of the value of units you transfer to another subfund of [●].
Redemption fee	None.

Scenarios analysis (where applicable, e.g. for funds with structured pay-outs)

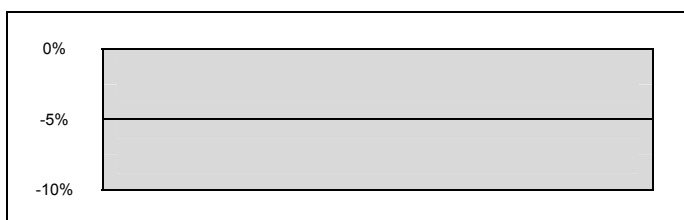
[Option A (Table format)]

The following table shows the worst, base and best case scenarios. **Details may be found in the offering document.**

Possible scenario	Example of when this would apply
Worst case scenario	<i>[Bullet point descriptions with pictorial expressions if possible]</i>
Base case scenario	<i>[Bullet point descriptions with pictorial expressions if possible]</i>
Best case scenario	<i>[Bullet point descriptions with pictorial expressions if possible]</i>

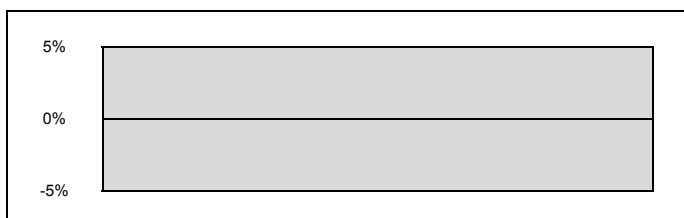
[Option B (graph format)]

Here we show scenarios to illustrate the worst, base and best case scenarios. **Details may be found in the offering document.**



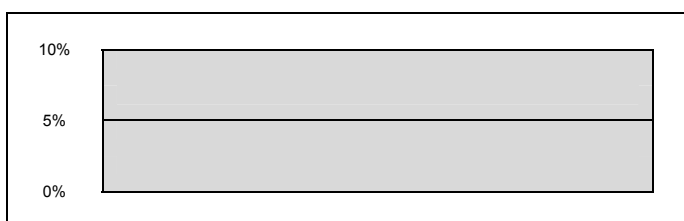
Worst case scenario

[Bullet point descriptions with reference to the graph where appropriate]



Base case scenario

[Bullet point descriptions with reference to the graph where appropriate]



Best case scenario

[Bullet point descriptions with reference to the graph where appropriate]

How has the fund performed? *[Note: the provision of performance information is optional]*

[For funds with on-going dealings whereby performance information is presented in this statement, the performance information has to be presented in the same manner as illustrated in the template for general funds.]

Additional Information

- You generally buy and redeem units at the Fund's next-determined net asset value (NAV) after [●] receives your request in good order on or before [●] being the dealing cut-off time.
- The net asset value of this fund is calculated and the price of units published each "business day". [They are available online at [●].]

[Insert any other additional important information.]

Intermediaries' information

[Name of intermediary] Phone: [●]
 Address: [●] Fax: [●]
 Email: [●]
 Website: [●]

[Note: As an alternative to providing the details of the intermediaries, details of where investors could obtain information on the intermediaries (e.g. by reference to the fund managers website) may be provided]

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.

Guidance for preparing this statement

1. If you want to include a responsibility statement in this statement, please make sure that such statement is consistent with the responsibility statement in other parts of the offering document.
2. Where a scheme is described as having been authorized by the SFC, please include a SFC non-endorsement statement in this statement pursuant to the requirements of the Code on Unit Trusts and Mutual Funds.
3. Disclosures shall be visually reader-friendly and written in plain language so that investors can easily read and understand them. Use of technical jargon or complex sentences shall be avoided.
4. Use of visual aids, graphs or charts is generally encouraged to illustrate the product structure and features.
Note: For example, structure charts and cashflow diagrams may be used to assist investors' understanding of the product structure.
5. Depending on the actual circumstances of the case, the contents in each statement may differ. Nevertheless, the headings set out in the template above are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers are responsible for what is and what is not to be included in the statement.



Product Key Facts Statement Template for Exchange Traded Funds



***This is an 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
Launch date:	[●]	Fund Manager:	[●] <i>[Include delegation (if any) - specify name and location of delegate and whether delegation is internal or external]</i>
Total assets as of [date]:	[●]	Custodian:	[●]
Total expense ratio (optional):	[●]%	Underlying Index:	[●]
Base currency:	[●]	Dividend:	[●]
Financial year end of this fund:	[●]	ETF Website:	[●]

What is this product?

This is a fund constituted in the form of a unit trust. *[For overseas domiciled ETFs, also state that: It is domiciled in [●] and its home regulator is [●]. The fund is subject to regulatory requirements which may not be entirely equivalent to those applicable to retail funds domiciled in Hong Kong. Ask the fund manager/Hong Kong representative for more information]*

What are the investment objectives and strategy?

Objective

[Include details]

Strategy

[Include details]

Collateral/Counterparties

[Include details]

Index

[Include details of index and top 10 index constituents]

Index Constituent	Weighting in index	Index Constituent	Weighting in index
1. AAA Company	[●]%	6. FFF Company	[●]%
2. BBB Company	[●]%	7. GGG Company	[●]%
3. CCC Company	[●]%	8. HHH Company	[●]%
4. DDD Company	[●]%	9. JJJ Company	[●]%
5. EEE Company	[●]%	10. KKK Company	[●]%

For details, please refer to the index website at [●]

What are the key risks?

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

[●]

Is there any guarantee?

Like most funds, this ETF does not have any guarantees. You may not get back the 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 incurred when trading the ETF on SEHK

Fee	What you pay
Brokerage fee	[●]
Transaction levy	[●]% of the trading price
Trading fee	[●]% of the trading price
Stamp duty	[●]

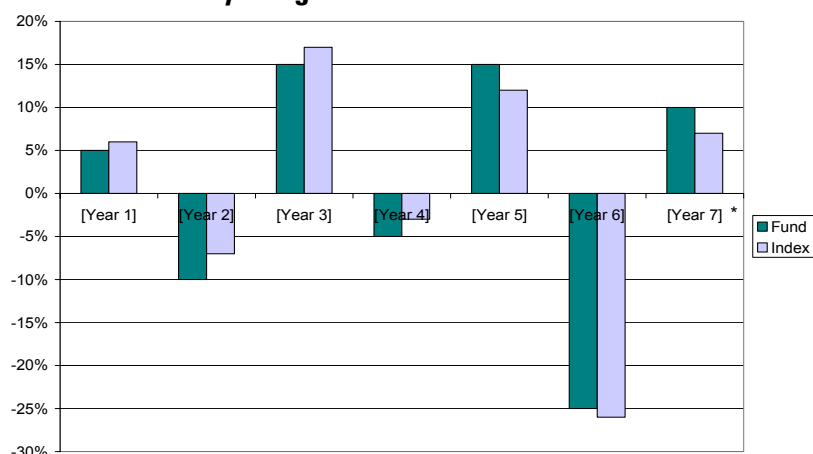
Ongoing fees payable by the fund

You don't pay these expenses directly. They affect you because they reduce the NAV of the ETF which may affect the trading price.

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

How has the fund performed? *[Note: the provision of performance information is optional]*

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



* Performance of [●] months up to [Year 7].

The computation basis of the performance is based on the last business day of year/period end, NAV-To-NAV, with dividend reinvested.

These figures show by how much the fund increased or decreased in value during the calendar year being shown. They reflect ongoing fees taken from the fund, but do not include your trading costs on SEHK.

Additional Information

You can find the following information of the ETF at the following website at [●]

- The ETF's offering document
- Latest financial reports
- Last closing NAV
- Estimated NAV/RUPV
- Exposure to counterparties for ETF adopting synthetic replication
- Information on collateral arrangement

Manager's information

[Name of manager] Phone: [●]
 Address: [●] Fax: [●]
 Email: [●]
 Website: [●]

[Note: In the case of an overseas manager, Hong Kong contact details of its representative should be provided.]

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.

Guidance for preparing this statement

1. If you want to include a responsibility statement in this statement, please make sure that such statement is consistent with the responsibility statement in other parts of the offering document.
2. Where a scheme is described as having been authorized by the SFC, please include a SFC non-endorsement statement in this statement pursuant to the requirements of the Code on Unit Trusts and Mutual Funds.
3. Disclosures shall be visually reader-friendly and written in plain language so that investors can easily read and understand them. Use of technical jargon or complex sentences shall be avoided.
4. Use of visual aids, graphs or charts is generally encouraged to illustrate the product structure and features.
Note: For example, structure charts and cashflow diagrams may be used to assist investors' understanding of the product structure.
5. Depending on the actual circumstances of the case, the contents in each statement may differ. Nevertheless, the headings set out in the template above are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers are responsible for what is and what is not to be included in the statement.



Product Key Facts Statement Template for Index Funds



***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

Launch date:	[●]	Fund Manager:	[●]
		<i>[Include delegation (if any) - specify name and location of delegate and whether delegation is internal or external]</i>	
Total assets as of [date]:	[●]	Custodian:	[●]
Total expense ratio (optional):	[●]%	Underlying index:	[●]
Base currency:	[●]	Dividend:	[●]
Financial year end of this fund:	[●]	Min. investment:	\$(●) initial, \$(●) additional
Dealing frequency	[●]		

What is this product?

This is a fund constituted in the form of a unit trust. *[For RJS, also state that: It is domiciled in [●] and its home regulator is [●]. The fund is subject to regulatory requirements which may not be entirely equivalent to those applicable to retail funds domiciled in Hong Kong. Ask your intermediary for more information, if in doubt.]*

What are the investment objectives and strategy?

Objective

[Include details]

Strategy

[Include details]

Collateral/Counterparties

[Include details]

Index

[Include details of index and top 10 index constituents]

Index Constituent	Weighting in index	Index Constituent	Weighting in index
1. AAA Company	[●]%	6. FFF Company	[●]%
2. BBB Company	[●]%	7. GGG Company	[●]%
3. CCC Company	[●]%	8. HHH Company	[●]%
4. DDD Company	[●]%	9. JJJ Company	[●]%
5. EEE Company	[●]%	10. KKK Company	[●]%

For details, please refer to the index website at [●]

What are the key risks?

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

[●]

Is there any guarantee?

Like most funds, this fund does not have any guarantees. You may not get back the 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.]*

Initial charges which may be payable by you

You may have to pay the following fees when you purchase units of the fund.

Fee	What you pay
Subscription fee	Up to [●]% of the amount you buy.

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.

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

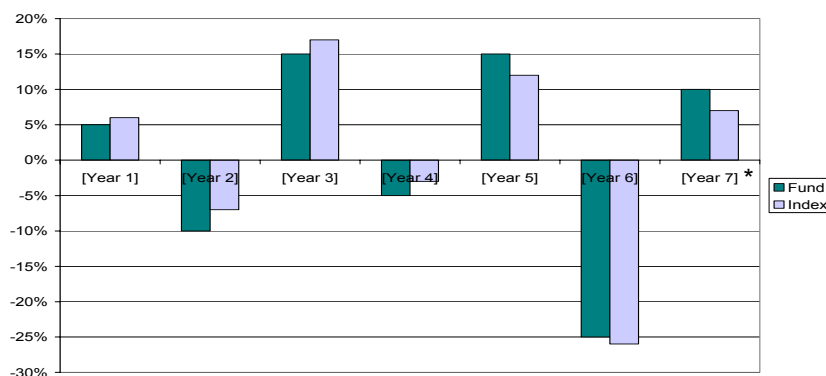
Other fees

You may have to pay other fees when you switch or redeem your investment.

Fee	What you pay
Switching fee	[●]
Redemption fee	[●]

How has the fund performed? *[Note: the provision of performance information is optional]*

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



* Performance of [●] months up to [Year 7].

The computation basis of the performance is based on the last business day of year/period end, NAV-To-NAV, with dividend reinvested.

These figures show by how much the fund increased or decreased in value during the calendar year being shown. They reflect ongoing fees taken from the fund, but do not include the effect of any subscription fee you might have to pay. Ask your intermediary for more information about these.

Additional Information

- You generally buy and redeem units at the Fund's next-determined net asset value (NAV) after [●] receives your request in good order on or before [●] being the dealing cut-off time.
- The net asset value of this fund is calculated and the price of units published each "business day". [They are available online at [●].]

[Insert any other additional important information.]

Intermediaries' information

[Name of intermediary] Phone: [●]
 Address: [●] Fax: [●]
 Email: [●]
 Website: [●]

[Note: As an alternative to providing the details of the intermediaries, details of where investors could obtain information on the intermediaries (e.g. by reference to the fund managers website) may be provided]

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.

Guidance for preparing this statement

1. If you want to include a responsibility statement in this statement, please make sure that such statement is consistent with the responsibility statement in other parts of the offering documents.
2. Where a scheme is described as having been authorized by the SFC, please include a SFC non-endorsement statement in this statement pursuant to the requirements of the Code on Unit Trusts and Mutual Funds.
3. Disclosures shall be visually reader-friendly and written in plain language so that investors can easily read and understand them. Use of technical jargon or complex sentences shall be avoided.
4. Use of visual aids, graphs or charts is generally encouraged to illustrate the product structure and features.
Note: For example, structure charts and cashflow diagrams may be used to assist investors' understanding of the product structure.
5. Depending on the actual circumstances of the case, the contents in each statement may differ. Nevertheless, the headings set out in the template above are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers are responsible for what is and what is not to be included in the statement.



Product Key Facts Statement Template for Investment-Linked Assurance Schemes



PRODUCT KEY FACTS

[Issuer's name and logo e.g.
ABC Insurance Company]

[Product name and type, e.g. ABC ILAS Plan]

[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

Name of insurance company:	[•]	Base currency:	[•]
Single or regular premium:	[•]	Min investment:	[•]
Irregular contribution allowed:	[•]	Max investment:	[•]
Minimum premium payment term:	[•]	Death benefit:	[101% of policy value OR premium paid (less prior withdrawal), whichever is higher]
Period with surrender charge:	[•]		

What is this product and how does it work?

- ABC ILAS Plan is an investment-linked assurance scheme ("ILAS"), which is an insurance policy issued by ABC Insurance with benefits linked to the performance of investment options selected by you.
- Returns payable under ABC ILAS Plan may be determined by ABC Insurance with reference to the performance of the underlying funds/assets as referred to in the principal brochure.
- [Performance of the underlying funds/assets which linked to your investments may not be identical to the performance of the corresponding SFC-authorized funds due to charges levied by ABC Insurance.]
- [You are not investing in the underlying funds/assets/ ABC Insurance will be investing into investment options selected by you] and you do not have any rights or ownership over these underlying funds/assets.
- [ABC ILAS Plan offers death benefit of 101% of the account value upon death of the life insured.]

What are the key risks?

Investment involves risks. Please refer to the principal brochure for details including the risk factors.

- **Credit and insolvency risks** – This product is an insurance policy issued by ABC Insurance. Your investments are subject to the credit risks of ABC Insurance.
- **Early surrender/withdrawal penalty** – Early surrender or withdrawal of the policy may result in a significant loss of principal or bonuses awarded.
- **Premium holiday** – with no premium contribution during premium holiday, your account value may be significantly reduced due to fees and charges, which are still deductible during premium holiday.
- **Market and foreign exchange risks** – Return of ILAS is contingent upon the performance of the underlying funds/assets and therefore there is the risk of capital loss. The value of the underlying funds/assets may be subject to foreign exchange risks as the underlying investment may not be denominated in the currency of the investment options.
- **[Market value adjustment (MVA)** – For with-profits ILAS, your surrender value may be significantly reduced by MVA and the maximum amount deducted by MVA can be up to 100% of the surrender value. You should ask your intermediary for the prevailing MVA rate.]

- [The life coverage under the ILAS is linked to the prevailing market value of your account/policy. Thus the amount of death benefits is subject to investment risks and may be significantly less than your investment amounts.]
- [INSERT ANY OTHER RISKS WHERE RELEVANT]

Is there any guarantee?

- [State the guarantee] /[State that if the guarantee condition is not satisfied, scheme participants will not be able to get the guarantee]

Guarantee conditions

Bonuses

Whether this is a with-profits plan and whether there is MVA

Factors that will affect the guarantee

(Non-exhaustive suggested list of items)

What are the fees and charges?

Scheme level

	Annualised rate	Deduct from
Policy fee	[•]	Account value on the last business day of each month by redeeming units of investment choices in proportionate to the premium allocation instruction
Administration charge	[•]	
Account maintenance charge	[•]	
Insurance charge	Depends on the age, sex and risks associated with the life insured	
Early surrender charge	[•]	Account value on the date the surrender request is made

Please refer to section • (page • to •) of the Principal Brochure of ABC ILAS Plan for details of the charges.

Underlying funds level

You should note that the underlying funds of the investment options may have separate charges on management fee, performance fee, bid-offer spread and/or switching fee. You do not pay these fees directly – either (1) the fees will be deducted and such reduction will be reflected in the unit price of the underlying funds or (2) units will be redeemed from your investment options to pay these fees. For details, please refer to the prospectus of the underlying funds and/or the principal brochure.

Additional Information

- [INSERT ANY OTHER ADDITIONAL IMPORTANT INFORMATION].

What if you change your mind?

– Cooling-off period

- Cooling-off period is a period during which life insurance policyholders may cancel their policies and get back their original investments (subject to market value adjustment) within the earlier of:
 - 14 days after the delivery of the policy, or
 - 21 days after the issue of a notice to you informing you of the availability of the policy, the policy issue date and the expiry date of the cooling-off period.

Please refer to the cooling off initiative issued by HKFI from time to time for reference.

- You have to tell your insurer by giving a written notice. Such notice must be signed by you and received directly by [Address of the insurer's Hong Kong Main Office]
- You may get back the amount you paid, or less if the value of the investment options has gone down.

Insurance company's information

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

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.

Guidance for preparing this statement

1. If you want to include a responsibility statement in this statement, please make sure that such statement is consistent with the responsibility statement in other parts of the Principal Brochure
2. Where a scheme is described as having been authorized by the SFC, please include a SFC non-endorsement statement in this statement pursuant to the requirements of the Code on Investment-Linked Assurance Schemes.
3. Disclosures shall be visually reader-friendly and written in plain language so that prospective scheme participants can easily read and understand them. Use of technical jargon or complex sentences shall be avoided.
4. Use of visual aids, graphs or charts is generally encouraged to illustrate the product structure and features.
Note: For example, flowcharts may be used to assist scheme participants' understanding of the product structure.
5. Depending on the actual circumstances of the case, the contents of each statement may differ. Nevertheless, the headings set out in the template above are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers are responsible for what is and what is not to be included in this statements.
6. In the case where the ILAS contains any guaranteed features provided by a third party guarantor, disclosure as regards the credit risks of such guarantor, amongst others, shall be disclosed in this statement.



Product Key Facts Statement Template for Unlisted Structured Products



PRODUCT KEY FACTS

[Issuer's name and logo]

Issuer

[Product name and type
(e.g. XXX Callable Range Accrual ELIs)]

[Date]

***This is an unlisted structured investment product.
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

Offer period:	[●]	Issue date:	[●]
	[●]	[Maturity/Expiry]	[●]
Issue price:		date:	
Denomination:	[●]	Product type:	[●]
Minimum investment:	[●]	Principal protection:	[Yes/No]
Maximum loss [/ gain]:	[●]	Callable by Issuer:	[Yes/No] [when earliest]

What is this product and how does it work?

[Briefly describe the nature of the product and how it works, in particular the situations under which investors will make gains / incur losses (with reference to the scenario analysis below)]

What are the key risks? [Issuers may add other factors or revise the following as appropriate depending on the product]

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

- [Maximum loss - [product name] is not principal protected: you could lose all of your investment. [Otherwise please explain the worst case scenario]]
- **Unlisted structured product NOT protected deposit** - Investment involves risks. This is an unlisted structured investment product which involves derivatives and is not equivalent to nor should it be treated as a time deposit. The [product name] is not a protected deposit for the purposes of the Deposit Protection Scheme.
- [Limited upside - The maximum return is limited to [●].]
- [No liquid secondary market - [product name] has no liquid secondary market. If you try to sell your [product name], you may not be able to find a buyer, or the sale price could be much lower than the amount you invested.]
- **Counterparty risk** - When you buy [product name], you will be relying on [ultimate counterparty/issuer]'s creditworthiness. If [ultimate counterparty/issuer] becomes insolvent or defaults on its obligations under [product name] you can only claim as an unsecured creditor.
- **Not the same as reference asset** - Investing in [product name] is not the same as investing in the underlying assets. [Please elaborate as appropriate]

What are the key features?

[Any assumption?]

[Call feature]

[[describe how this works] Potential early termination on any call date prior to expiry upon occurrence of [event].]

[Airbag feature]

[describe how this works]

[Maximum potential return / coupon]

[●]%

[Conditions for this to be achieved]

[Payout scenarios]

[100]% of the principal amount

[Physical delivery of [worst performing asset in the basket]]

[Worst case scenario – any coupon?]

[Notwithstanding the parameters prescribed under this template, issuers are required to comply with the general principles applying to disclosure on the Product Key Facts Statement under the Code on Unlisted Structured Products]

Is there any guarantee or collateral?

[Description of guarantee or collateral and disclosing the rights and exposures of investors]

[You may not get back the amount of money you invest.]

Scenario analysis

- **Worst case scenario**

[●]

- **Middle-of-the-road scenario**

[●]

- **Best case scenario**

[●]

How can you buy the product?

- [You can contact the appointed intermediaries to enquire about the product.]
- [You will need to complete an [application/order] form provided by the intermediaries.]
- [Your intermediary will also inform you the purchase consideration and any applicable charges.]

Mode of settlement

- [You will need to specify whether you elect for cash settlement or physical settlement at the time of application.]
- [You can change your election at any time no later than [●].]
- [Please ask your intermediary for details.]

Adjustments to the terms and conditions of the product [upon the occurrence of extraordinary events]

- [Certain terms and conditions (including some of the key dates) of the product can be adjusted in certain circumstances.]
- [Please refer to [●] for details.]

What are the fees and charges?

[Please elaborate as appropriate]

Can you sell the product before expiry?

- [[**Product name**] is not listed on any stock exchange. There is no liquid secondary market.]
- [The market agent [may/will] provide limited market making arrangements during [●]. Please refer to [●] for details.]
- [The sell-back value of your [*product name*] will be determined by [●] and may be substantially less than your initial investment.]

How can you find out the current market value of the product?

- [You can request your intermediary to provide an indication of the daily market value of the product.]
- [The market value of the product will also be reported in [●].]

Continuing disclosure obligations

- [*State the types of reports/accounts that will be sent to investors and when will those reports/accounts be sent to them*]
- [*Depending on the actual circumstances of the case, state the continuing disclosure obligations as appropriate, bearing in mind the requirements under Chapter 7 of the Code on Unlisted Structured Products*]

Additional information

[Insert any other additional important information]

Product arranger's/ intermediaries' information

[Name of product arranger/ intermediaries] Phone: [●]
[address]: [●] Fax: [●]
 Email: [●]
 Website: [●]

[Note: As an alternative to providing the details of the intermediaries, details of where investors could obtain information on the intermediaries may be provided]

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.

Guidance for preparing this statement

1. If you want to include a responsibility statement in this statement, please make sure that such statement is consistent with the responsibility statement in other parts of the offering document.
2. Where the issue of the offering document is described as having been authorized by the SFC, please include a SFC non-endorsement statement in this statement pursuant to the requirements of the Code on Unlisted Structured Products.
3. Disclosures shall be visually reader-friendly and written in plain language so that investors can easily read and understand them. Use of technical jargon or complex sentences shall be avoided.
4. Use of visual aids, graphs and charts is generally encouraged to illustrate the product structure and features.
Note: For example, flowcharts may be used to assist investors' understanding of the product structure.
5. Depending on the actual circumstances of the case, the contents in this statement may differ. Nevertheless, the headings set out in the template above are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers are responsible for what is and what is not to be included in this statement.