



SECURITIES AND FUTURES COMMISSION  
證券及期貨事務監察委員會

## **Illustrative Example for the Frequently Asked Questions on Advertising Materials of Collective Investment Schemes Authorized under the Product Codes (Question 34A)**

18 September 2017

**Important:** Please note that the example contained in this document is for illustrative purpose only and is not meant to be complete or exhaustive. You should read this document in conjunction with the Frequently Asked Questions on Advertising Materials of Collective Investment Schemes Authorized under the Product Codes. Issuers are reminded to ensure that marketing materials of SFC-authorized funds are in compliance with all applicable requirements, including the Advertising Guidelines and the guidance set out in the FAQ 34A.



### Illustrative example

34A

Background:

- ABC Fund is an SFC-authorized scheme which was established and launched on 1 January 2017.
- On 31 December 2017, ABC Fund has attained a track record of more than 6 months and the management company wishes to demonstrate the experience of the fund management group in managing a particular investment strategy of ABC Fund by presenting the past performance of an unauthorized scheme.
- The unauthorized scheme adopted the same investment strategy, restrictions and risk profile as ABC Fund for a minimum of 5 years (or the period since launch if shorter) immediately preceding the launch of ABC Fund.
- The fees and charges of the unauthorized scheme were **lower** than ABC Fund during the period presented.



**Advertisement issue date: 31 December 2017**

Important:

1. [Disclose the key features and all principal risks associated with ABC Fund]
2. Investment involves risk.
3. You should read the offering documents for further details including the risk factors.
4. [Disclose all other applicable warning statements / notes as required under the Advertising Guidelines]

## **Issuer: ABC Fund Management Group**

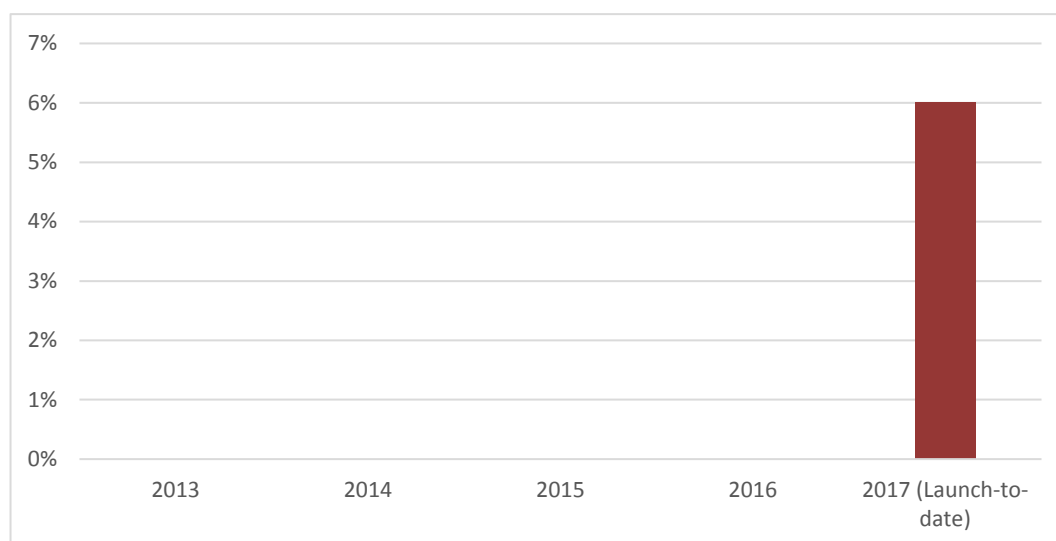
### **ABC Fund**

**Performance Information\***  
**of ABC Fund**

**2017<sup>1</sup>**  
**XX%**

	2012	2013	2014	2015	2016 <sup>1</sup>
Performance Information* of an unauthorized scheme	XX%	XX%	XX%	XX%	XX%

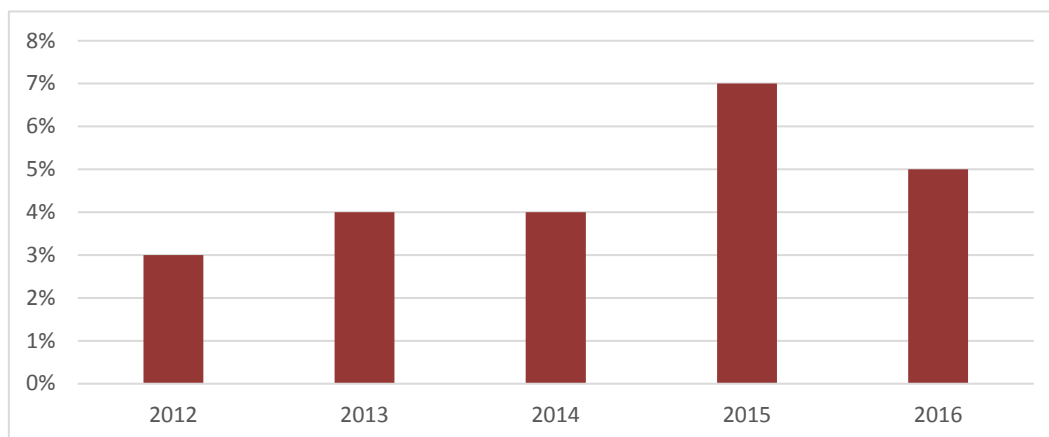
### **Performance information\* of ABC Fund**



*The format of the SFC-authorized scheme must be presented in a more prominent manner and on a stand-alone format.*



### Performance information\* of unauthorized scheme



*\*[Disclose the computation basis of the performance information (e.g. offer-to-offer or NAV-to-NAV, with or without dividends reinvested)]*

#### Warning statements / notes:

5. The unauthorized scheme is not authorized by the Commission and is not available to the public in Hong Kong.
6. The unauthorized scheme has the same investment strategy, restrictions and risk profile as ABC Fund.
7. Downward adjustments to the past performance information of the unauthorized scheme have been made to reflect the differences in all relevant fees and charges between the unauthorized scheme and ABC Fund.<sup>2</sup>
8. The past performance figures of the unauthorized scheme presented are not those of ABC Fund.
9. The past performance information of the unauthorized scheme and ABC Fund is not indicative of future performance of ABC Fund.
10. The purpose of presenting the past performance information of the unauthorized scheme is to provide additional information to investors relating to the investment experience of ABC Fund Management Group in managing the same strategy.
11. ABC Fund is authorized by the Commission and its authorization does not imply official recommendation.

<sup>1</sup> Once ABC Fund has attained a track record of 6 months or more, ABC Fund Management Group can only present the past performance information of the unauthorized scheme covering a minimum of 5 years (or the period since launch if shorter) immediately preceding the launch of ABC Fund and any performance information of the unauthorized scheme attained after the launch date of ABC Fund is not allowed.

<sup>2</sup> Where the fees and charges of the unauthorized scheme were lower than ABC Fund during the period presented, the past performance information of the unauthorized scheme presented must be adjusted downward to reflect the differences in all relevant fees and charges between the unauthorized scheme and ABC Fund. However, upward adjustments of the past performance information of the unauthorized scheme is not allowed.