

FTLife Insurance Company Limited

*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.
 There is a “Glossary” section at the end of this Statement
 to explain the meaning of the underlined text in italic.*

Quick facts

Name of insurance company	FTLife Insurance Company Limited (“FTLife”)	Policy currency	HK dollar
Single or regular premium	Single premium	Minimum investment amount	HK\$1,120,000 for 5-year investment term; HK\$1,160,000 for 10-year investment term
Regular premium frequency	Not applicable		
Minimum premium payment term	Not applicable	Maximum investment amount	Not applicable
Period with surrender charge	5 years for 5-year investment term; 7 years for 10-year investment term	Death benefit	105% of the <i>Total Account Value</i> . For the avoidance of doubt, any outstanding fees and charges due under the policy shall first be deducted from the <i>Total Account Value</i> before the <i>Total Account Value</i> is multiplied by 105%.
Governing Law of policy	Laws of Hong Kong Special Administrative Region		

Important

- Aviator Plus is an investment-linked assurance scheme (“ILAS policy” / “policy”), and is a long-term investment-cum-life insurance product. It is only suitable for investors who:
 - understand that the principal will be at risk;
 - are committed to hold the investment for long term; and
 - have both investment and estate planning objectives as it is a packaged product that includes both investment and insurance element with death benefits payable to third party beneficiaries.
- Aviator Plus is **not** suitable for investors with short- or medium- term liquidity needs.

Important (Con't)

- **Fees and charges**

10.3% of your premium (after taking into account the non-discretionary welcome bonus) will be paid to FTLife to cover all the fees and charges at the ILAS policy level, of which 0% is the cost of life protection, and this will reduce the amount available for investment.

Please note that the above figures are calculated based on the following assumptions: (a) the chosen investment term is 10 years; (b) the payment of single premium of HK\$1,160,000; (c) you hold your ILAS policy for 10 years; (d) an assumed rate of return of 3% per annum throughout 10 years; and (e) there is no early termination of your ILAS policy.

You must understand that these ILAS policy level charges are on top of, and in addition to, the underlying funds level charges. The above figures do not take into account any early surrender charges.

The above percentages of your premium for covering the total fees and charges are calculated based on the assumptions above for illustration purposes. The actual percentages may change depending on individual circumstances of each case.

- **Long-term features**

Early surrender charges:

(a) If your chosen investment term is 10 years and the policy is surrendered / terminated within the first 7 policy years, there will be an early surrender charge of up to 8% of the **Total Account Value**. For the avoidance of doubt, the **Clawback Amount** (if any) and any outstanding fees and charges due under the policy shall first be deducted from the **Total Account Value** before the **Total Account Value** is multiplied by the applicable surrender charge rate. If your chosen investment term is 5 years and the policy is surrendered / terminated within the investment term, there will be an early surrender charge of up to 6% of the **Total Account Value**. For the avoidance of doubt, the **Clawback Amount** (if any) and any outstanding fees and charges due under the policy shall first be deducted from the **Total Account Value** before the **Total Account Value** is multiplied by the applicable surrender charge rate. Please refer to the section of "Summary of Fees and Charges" in the Principal Brochure for details.

Welcome Bonus:

(b) You will be entitled to a welcome bonus of up to 10.0% of the premium allocated to the **Accumulation Account** according to your premium size and the chosen investment term.

Please note that we will claw back the account value relating to the welcome bonus awarded to you if:

- (i) the 5-year investment term plan is surrendered at any time during the investment term; or
- (ii) the 10-year investment term plan is surrendered at any time within the first 7 policy years; or
- (iii) you exercise your right as specified in the section of Cooling-off Period on p.5 of the Principal Brochure.

Please refer to the section of "Welcome Bonus" in the Principal Brochure for details.

- **Intermediaries' remuneration**

Although you may pay nothing directly to the intermediary who sells / distributes this ILAS policy to you, the intermediary will receive remuneration which, in effect, will be borne out of the charges you pay. 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 is this product and how does it work?

- Aviator Plus is an investment-linked assurance scheme. It is a life insurance policy issued by FTLife. This is not a fund authorized by the Securities and Futures Commission pursuant to the Code on Unit Trusts and Mutual Funds (“UT Code”).
- The premiums you pay, after deduction of any applicable fees and charges of your Aviator Plus policy, will be invested by FTLife in the underlying funds you selected and will accordingly go towards accretion of the value of your Aviator Plus policy. Your Aviator Plus policy value will be calculated by FTLife based on the performance of your selected underlying funds from time to time and the ongoing fees and charges which will continue to be deducted from your Aviator Plus policy value.
- Note, however, that all premiums you pay towards your policy, and any investments made by FTLife in the underlying funds you selected, will become and remain the assets of FTLife. You do not have any rights or ownership over any of those assets. Your recourse is against FTLife only.
- Due to the various fees and charges levied by FTLife on your policy, the return on your policy as a whole may be lower than the return of the underlying funds you selected. Please see page 4 and page 5 for details of the fees and charges payable by you.
- Underlying funds available for selection are the funds listed in the Principal Brochure. These funds are authorized by the Securities and Futures Commission pursuant to the UT Code.
- Although Aviator Plus is a life insurance policy, because your death benefit is linked to the performance of the underlying funds 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.
- Ageas reserves the right to terminate the policy if the **Total Account Value** falls below HK\$50,000. The **Total Account Value** of your policy may fall below HK\$50,000 due to a number of factors such as a market downturn, and in that case your policy may be terminated and subject to a surrender charge as specified in the section of “What are the fees and charges?” on page 4 and page 5.

What are the key risks?

Investment involves risks. Please refer to the Principal Brochure for details including the risk factors.

- **Credit and insolvency risks** - Aviator Plus is an insurance policy issued by FTLife. Your investments are subject to the credit risks of FTLife.
- The investment choices available under Aviator Plus can have very different features and risk profiles. Some may be of high risk. Please read the Principal Brochure and the offering document of the underlying funds involved for details.
- **Early surrender penalty** - Aviator Plus is designed to be held for a long term period. Early surrender of the policy may result in a significant loss of principal and/or bonuses awarded. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.
- **Early termination risks** - Your Aviator Plus policy may terminate in the event that your policy value falls below HK\$50,000. The **Total Account Value** may fall below the minimum requirement under various circumstances, including without limitation a market downturn which is beyond your control. You will also be subject to any applicable surrender charge upon surrender of your policy.
- **Market risks** - Return of Aviator Plus is contingent upon the performance of the underlying funds and therefore there is a risk of capital loss.

Is there any guarantee?

- This product does not have any guarantee of the repayment of principal. You may not get back the full amount of premium you pay and may suffer investment losses.

Other features

Welcome Bonus

Aviator Plus offers you a welcome bonus calculated on the premium paid into the **Accumulation Account** at the commencement date of the policy. The bonus rates range from 4.25% to 10.00% of the premium allocated to the **Accumulation Account** according to your premium size. The welcome bonus will be distributed to the **Initial Account** at the same time as the premium is invested. Please refer to the section of “Welcome Bonus” in the Principal Brochure for details.

Please note that we will claw back the account value relating to the welcome bonus awarded to you if:

1. the 5-year investment term plan is surrendered at any time during the investment term; or
2. the 10-year investment term plan is surrendered at any time within the first seven policy years; or
3. you exercise your right as specified in the section of Cooling-off Period on p.5 of the Principal Brochure.

The amount of the welcome bonus to be clawed back is in proportion to the prevailing market value of the **Total Account Value**. For the avoidance of doubt, any outstanding fees and charges due under the policy shall first be deducted from the **Total Account Value**. Therefore, the **Clawback Amount** may be more or less than the value of the welcome bonus originally awarded to you.

What are the fees and charges?

FTLife reserves the right to vary the policy charges or impose new charges with not less than one month's prior written notice or other period of notice in compliance with the relevant regulatory requirements.

Scheme level

	Applicable rate	Deduct from
Investment Management Fee for Investment Choices	2.28% per annum of the <u>Total Account Value</u>	<p><u>Initial Account</u> monthly in arrears by unit cancellation of investment choices in proportion to the value of the investment choices in the <u>Initial Account</u>.</p> <p>For the 5-year investment term plan, the fee is charged while the plan is in effect; for the 10-year investment term plan, the fee is charged in the first seven policy years only.</p> <p>If the value in the <u>Initial Account</u> is insufficient to cover the fee, all the value in this account will be deducted and any outstanding investment management fee will be deducted from the value of the <u>Accumulation Account</u> without interest on policy termination.</p>

What are the fees and charges? (Con't)

Scheme level (Con't)

	Applicable rate	Investment Term		Deduct from
Surrender Charge	<u>Policy Year</u>	<u>5 years</u>	<u>10 years</u>	<u>Total Account Value.</u>
	Within the 1 st policy year	6%	8%	
	Within the 2 nd policy year	6%	8%	
	Within the 3 rd policy year	6%	8%	
	Within the 4 th policy year	6%	8%	
	Within the 5 th policy year	4%	6%	
	Within the 6 th policy year	N/A	4%	
	Within the 7 th policy year	N/A	2%	
	Within the 8 th policy year and onwards	N/A	0%	
	The above rates are expressed as a percentage of the Total Account Value . For the avoidance of doubt, the Clawback Amount (if any) and any outstanding fees and charges due under the policy shall first be deducted from the Total Account Value before the Total Account Value is multiplied by the applicable surrender charge rate.			
Switching Fee	Up to 2% of the amount being switched but is currently waived.		Switching amount.	

Please refer to the section "Summary of Fees and Charges" on p.4 of the Principal Brochure for details of the charges.

Underlying funds level

You should note that the underlying funds of the investment choices 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) notional units will be redeemed from your investment choices to pay these fees. For details, please refer to the offering document of the underlying funds and / or the Principal Brochure of Aviator Plus, which are available from FTLife upon request.

Additional Information

This Investment-linked Assurance Scheme (ILAS) Policy is excluded from the application of the Contracts (Rights of Third Parties) Ordinance ("the Ordinance"). Accordingly, other than the policy owner and FTLife, any person or entity which is not a party to this ILAS Policy (e.g. a third party beneficiary) shall have no rights under the Ordinance to enforce any of the terms of this ILAS Policy.

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 21 days after the delivery of the policy or issue of a notice to you or your representative. Such notice should inform you of the availability of the policy and expiry date of the cooling-off period. Please refer to the cooling off initiative issued by the Hong Kong Federation of Insurers from time to time for reference.
- You have to tell FTLife by giving a written notice. Such notice must be signed by you and received directly by FTLife at 27/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- You may get back the amount you paid, or less if the value of the investment choices chosen has gone down.

Please note that you will not be entitled to any welcome bonus if you cancel the policy within the Cooling-off Period.

Insurance company's information

FTLife Insurance Company Limited
Address : 27/F, Wing On Centre,
111 Connaught Road Central,
Hong Kong

Phone : 2866 8898
Fax : 2264 3222
Email : ftlhc.mkt@ftlife.com.hk
Website: www.ftlife.com.hk

Important

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

If you are in doubt, you should seek professional advice.

The Securities and Futures Commission takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

Glossary

<u>Accumulation Account</u>	Refers to the account of all notional units of investment choices originally allocated from the amount of premium to be invested in the <u>Accumulation Account</u> which is specified by the policy owner.	
<u>Clawback Amount</u>	<p>Equals to $(\frac{B}{B+C}) \times A$, whereas,</p> <p>A = the <u>Total Account Value</u> less any outstanding fees and charges due to us by you B = the amount of the welcome bonus paid C = the amount of total premium paid</p> <p>Conditions in which the account value relating to the welcome bonus awarded will be clawed back are as follows:</p> <ol style="list-style-type: none"> 1. the 5-year investment term plan is surrendered at any time during the investment term; or 2. the 10-year investment term plan is surrendered at any time within the first seven policy years; or 3. you exercise your right as specified in the section of Cooling-off Period. 	
<u>Initial Account</u>	Refers to the account of all notional units of investment choices originally allocated from (1) the welcome bonus and (2) the amount of premium to be invested in the <u>Initial Account</u> which will be determined as follows:	
	Investment Term	Amount to be invested in the <u>Initial Account</u> as a percentage of the amount to be invested in the <u>Accumulation Account</u>
	5 years	12%
	10 years	16%
<u>Total Account Value</u>	Equals to the total account value of the <u>Initial Account</u> and the <u>Accumulation Account</u> . The account value of the <u>Initial Account</u> and the <u>Accumulation Account</u> equals to the sum of the value of investment choices in each account, and the value of each investment choice can be calculated by multiplying the bid price of an investment choice by the number of notional units in that investment choice.	

Aviator Plus



INSURER

FTLife Insurance Company Limited

A company incorporated in Bermuda with limited liabilities

Registered Address:

Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

Head Office and Business Address:

27/F, Wing On Centre,
111 Connaught Road Central, Hong Kong.

Website: www.ftlife.com.hk

Please contact us by following means or contact your Consultant for details of **Aviator Plus**, enquiries and complaints:

Customer Service Hotline: 2866 8898

Fax: 2264 3222

Email: ftlhk.mkt@ftlife.com.hk

Post: 27/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The offering documents of **Aviator Plus** comprise the Principal Brochure and the Product Key Facts Statement (collectively "Offering Documents"), and should be issued and read in conjunction with each other. The constitutive documents of **Aviator Plus** comprise the policy provision and policy specifications. This Principal Brochure does not constitute a contract. Payment of any proceeds under the **Aviator Plus** policy and the policy's features are subject to the provisions contained in the constitutive documents. Please refer to the constitutive documents for its terms and conditions. You may contact your Consultant for a specimen copy of the constitutive documents free of charge.

Investment involves risks, and the value of investments may go up as well as down. Investment returns are not guaranteed. Past performance is not indicative of future performance.

This Investment-linked Assurance Scheme (ILAS) Policy is excluded from the application of the Contracts (Rights of Third Parties) Ordinance ("the Ordinance"). Accordingly, other than the policy owner and FTLife, any person or entity which is not a party to this ILAS Policy (e.g. a third party beneficiary) shall have no rights under the Ordinance to enforce any of the terms of this ILAS Policy.

Publication Date: June 2018

Issuer: FTLife Insurance Company Limited

Important Notes:

- Aviator Plus is an insurance policy issued by FTLife Insurance Company Limited ("FTLife") with benefits linked to the performance of investment choices selected by you. Your investments are subject to the credit risk of FTLife.**
- All premiums you pay towards Aviator Plus, and any investments made by FTLife in the underlying funds you selected, will become and remain part of the assets of FTLife. You do not have any rights or ownership over any of those assets. Your recourse is against FTLife only.**
- Your return on investments is calculated by FTLife with reference to the performance of the underlying funds as referred to in the Principal Brochure which corresponds to the investment choices selected by you. The return of investments under Aviator Plus shall be subject to the charges of Aviator Plus and may be lower than the return of the corresponding SFC-authorized fund.**
- The investment choices available under Aviator Plus can have very different features and risk profiles. Some may be of high risk. Please read the Principal Brochure and the offering documents of the underlying funds involved, which will be made available upon request or downloaded at our website: www.ftlife.com.hk.**
- Aviator Plus is designed to be held for a long term period. No partial withdrawal is allowed. Early surrender may result in a significant loss of principal and / or bonuses awarded. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.**
- Investment involves risk. You should not purchase Aviator Plus unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.**
- We reserve the right to terminate the policy if the total account value falls below HK\$50,000. The total account value of your policy may fall below HK\$50,000 due to a number of factors, including without limitation, a market downturn which is beyond your control, and in that case your policy may be terminated and subject to a surrender charge as specified in the Summary of Fees and Charges.**

Aviator Plus

Aviator Plus is a single premium investment-linked assurance scheme and is classified as “Class C – linked long term business” plan under the Insurance Companies Ordinance (“ICO”). It is offered by FTLife Insurance Company Limited, an insurance company authorized under the ICO in Hong Kong.

Please read this Principal Brochure in conjunction with the Product Key Facts Statement, and offering documents of the underlying funds before you apply for Aviator Plus.

Please visit our website at www.ftlife.com.hk, to obtain the Principal Brochure and Product Key facts Statement of Aviator Plus, notices, announcements, financial reports and offering document of the underlying funds.

Should you require further information or assistance, please do not hesitate to contact your Consultant or our Customer Service Hotline at 2866 8898.

Investment Term

Investment term of 5 years and 10 years are available to meet your financial planning. The minimum single premiums are HK\$1,120,000 and HK\$1,160,000 for investment term of 5 years and 10 years respectively. Premium can only be paid in multiple of HK\$10,000.

According to your allocation instruction, your premium will be used to allocate notional units of investment choices to an initial account (“Initial Account”) and an accumulation account (“Accumulation Account”) at the same time. You can simply specify the amount to be invested in the Accumulation Account and the amount to be invested in the Initial Account will be determined as follows:

Investment Term	Amount to be invested in the Initial Account as a percentage of the amount to be invested in the Accumulation Account
5 years	12%
10 years	16%

There is no need for you to give separate investment instruction for the Initial Account and the Accumulation Account.

The minimum single premium for the Accumulation Account is HK\$1,000,000 and the premium required for the Initial Account will be determined as stated above.

Allocation to each investment choice should be at least equal to 10% of the single premium paid.

Aviator Plus does not allow for any additional premium, if you would like to increase the premium contributions to Aviator Plus, you may consider applying for a new policy and it will subject to separate and independent fees and charges.

We reserve the right to terminate the policy if the total account value falls below HK\$50,000. The total account value of your policy may fall below HK\$50,000 due to a number of factors, including without limitation, a market downturn which is beyond your control, and in that case your policy may be terminated and subject to a surrender charge as specified in the Summary of Fees and Charges.

Example for investment distributed into the two accounts:

Investment Term	= 5 years
Premium allocated to the Accumulation Account	= HK\$1,000,000
Premium allocated to the Initial Account	= HK\$1,000,000 x 12% = HK\$120,000
Total premium paid by investor	= <u>HK\$1,120,000</u>

The above illustration is hypothetical and for illustrative purpose only.



Switching

Aviator Plus offers you the flexibility to formulate your investment portfolio. Currently, switching between investment choices is free of charge.

Unless the entire holding in the investment choice is switched, the minimum switching amount per instruction is HK\$100,000 and the minimum remaining balance in each investment choice should be at least equal to HK\$50,000 right after a switch, otherwise, switching cannot be processed. FTLife may change the minimum switching amount and the minimum remaining balance from time to time by giving a one month's prior written notice.

No Bid-Offer Spread on All Investment Choices

All of the investment choices have no bid-offer spread. That will enhance the potential growth of your capital. However, there are other applicable fees and charges at the underlying fund level charged by the relevant investment manager and at the policy level charged by FTLife, please refer to the section of **Summary of Fees and Charges** for details.

Welcome Bonus

To welcome you becoming a policy owner of Aviator Plus, we will offer you a welcome bonus ("Welcome Bonus") based on the premium you allocated to the Accumulation Account at the commencement date of the policy and the chosen investment term. The bonus will be used for unit allocation to the Initial Account according to your latest allocation instruction in our records.

The Welcome Bonus will be distributed to the Initial Account at the same time as the premium is invested and is subject to the usual fees and charges applicable to the Initial Account. Please refer to the section of **Summary of Fees and Charges** for details.

Premium allocated to the Accumulation Account ("P")	Rate of Welcome Bonus*	
	5-year Investment Term	10-year Investment Term
HK\$1,000,000 ≤ P < 4,500,000	4.25%	8.50%
HK\$4,500,000 ≤ P < 6,500,000	4.50%	9.00%
HK\$6,500,000 ≤ P < 8,500,000	4.75%	9.50%
HK\$8,500,000 or above	5.00%	10.00%

* The rates are expressed as a percentage of the premium allocated to the Accumulation Account.

The Welcome Bonus Rates as described above do not represent the rate of return or performance of your investment.

Example for calculation of the Welcome Bonus:

Welcome Bonus = Premium allocated to the Accumulation Account x Welcome Bonus rate

Investment Term	= 10 years
Premium allocated to the Accumulation Account	= HK\$4,500,000
Premium allocated to the Initial Account	= HK\$4,500,000 x 16% = HK\$720,000
Total premium paid by investor	= HK\$5,220,000
Welcome Bonus payable	= HK\$4,500,000 x 9% = <u>HK\$405,000</u>

The above illustration is hypothetical and for illustrative purpose only.

Please note that we will claw back the account value relating to the Welcome Bonus awarded to you if:

1. **the 5-year investment term plan is surrendered at any time during the investment term; or**
2. **the 10-year investment term plan is surrendered at any time within the first seven policy years; or**
3. **you exercise your right as specified in the section of Cooling-off Period on p.5.**

The clawback amount ("Clawback Amount") will be calculated according to the following formula:

$$\left(\frac{B}{B+C} \right) \times A, \text{ where as,}$$

A = the total account value^{Note} of the Initial Account and the Accumulation Account, less any outstanding fees and charges due to us by you

B = the amount of the Welcome Bonus paid

C = the amount of total premium paid

Note: The two accounts will be valued as soon as practicable on a valuation date after the date a request for surrender is approved by us.

The Clawback Amount is subject to change based on the factors stated in the formula above, particularly on the prevailing total account value of the policy which will vary according to the investment markets. Therefore, the Clawback Amount may be more or less than the value of the Welcome Bonus originally awarded to you.

Example for calculation of the Clawback Amount:

$$\text{Clawback Amount} = \left(\frac{B}{B+C} \right) \times A$$

Investment Term	= 10 years
Total account value of the Initial Account and the Accumulation Account at the time of surrender (A)	= HK\$5,600,000
The amount of the Welcome Bonus paid (B)	= HK\$405,000
Premium allocated to the Accumulation Account	= HK\$4,500,000
Premium allocated to the Initial Account	= HK\$720,000
Outstanding fees and charges	= HK\$0
Total premium paid by investor (C)	= HK\$4,500,000 + HK\$720,000 = HK\$5,220,000
Clawback Amount ^{Note 1}	= $\left(\frac{\text{HK\$405,000}}{\text{HK\$405,000} + \text{HK\$5,220,000}} \right) \times (\text{HK\$5,600,000} - \text{HK\$0})$ = <u>HK\$403,200</u> ^{Note 2}

The above illustration is hypothetical and for illustrative purpose only.

Note 1: The amount is clawed back in proportion to the prevailing market value of the total account value.

Note 2: The Clawback Amount under this illustrative example is more than the value of the Welcome Bonus originally allocated to the policy due to the assumption that there is a positive return from the total premium paid and the amount of the Welcome Bonus paid.

Please note that you will not be entitled to any Welcome Bonus if you cancel the policy within the cooling-off period.

Death Benefit

A death benefit will be payable should the insured passes away while the policy is in effect. The amount of death benefit payable under the policy will be equal to 105% of the total account value^{Note}. For the avoidance of doubt, any outstanding fees and charges due under the policy shall first be deducted from the total account value^{Note} before the total account value^{Note} is multiplied by 105%.

Although Aviator Plus is a life insurance policy, because your death benefit is linked to the performance of underlying funds 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.

If the insured commits suicide within the first policy year while the Policy is in effect, only the aggregate of (i) a refund of all policy

charges deducted and (ii) the total account value^{Note} less the value of units attributable to the Welcome Bonus will be paid.

Note: Total account value equals to the total account value of the Initial Account and the Accumulation Account. The Initial Account and the Accumulation Account will be valued as soon as practicable on a valuation date after we have received satisfactory proof of death of the insured and will be paid within one month (without interest) after our approval of the death claim.

The policy will be automatically terminated upon the death of the insured.

Maturity Benefit

If the insured is alive at the end of the investment term, we will cancel all notional units of the investment choices in the policy and, within one month after that date, pay you the value (without any interest) less any outstanding fees and charges due under Aviator Plus.

Surrender

You may surrender your policy in writing in our prescribed format. All the notional units of your investment choices will be cancelled as soon as practicable after the date we approve your surrender request. **A surrender charge^{Note} may be deducted from the total account value when the policy is surrendered.** We will pay the net value to you within one month of receiving and approving your request without interest. Please refer to the section of **Summary of Fees and Charges** for details.

Note: The surrender charge is calculated by multiplying the applicable surrender charge rate by the total account value. For the avoidance of doubt, the Clawback Amount (if any) and any outstanding fees and charges due under the policy shall first be deducted from the total account value before the total account value is multiplied by the applicable surrender charge rate.

Please note that early surrender of the policy may result in a significant loss of principal and / or bonuses awarded.

Termination

Your policy will be automatically terminated in the earliest of the following circumstances:

- (i) The policy is surrendered (please refer to the section of **Surrender** for details); or
- (ii) The death of the insured (please refer to the section of **Death Benefit** for details); or
- (iii) The policy reaches the end of the investment term.

We reserve the right to terminate the policy if the total account value falls below HK\$50,000. The total account value of your policy may fall below HK\$50,000 due to a number of factors, including without limitation, a market downturn which is beyond your control, and in that case your policy may be terminated and subject to a surrender charge as specified in the Summary of Fees and Charges.

Summary of Fees and Charges

Fees and Charges on the Policy^{Note}																																																						
Investment Management Fee for Investment Choices	<ul style="list-style-type: none"> Currently, an investment management fee of 0.19% per month (2.28% per annum) of the total account value of the Initial Account and the Accumulation Account will be deducted from the Initial Account monthly in arrears by unit cancellation of investment choices in proportion to the value of the investment choices in the Initial Account. For the 5-year investment term plan, the fee is charged while the plan is in effect. For the 10-year investment term plan, the fee is charged in the first seven policy years only. <p>If the value in the Initial Account is insufficient to cover the fee, all the value in this account will be deducted and any outstanding investment management fee will be deducted from the value of the Accumulation Account without interest on policy termination.</p>																																																					
Switching Fee	<ul style="list-style-type: none"> Switching fee is currently waived but subject to a maximum of 2% of the amount being switched. 																																																					
Surrender Charge	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Policy Year</th> <th colspan="2" style="text-align: center;">Investment Term</th> </tr> <tr> <th style="text-align: center;">5 years</th> <th style="text-align: center;">10 years</th> </tr> </thead> <tbody> <tr> <td>Within the 1st policy year</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>Within the 2nd policy year</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>Within the 3rd policy year</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>Within the 4th policy year</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>Within the 5th policy year</td> <td style="text-align: center;">4%</td> <td style="text-align: center;">6%</td> </tr> <tr> <td>Within the 6th policy year</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">4%</td> </tr> <tr> <td>Within the 7th policy year</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">2%</td> </tr> <tr> <td>Within the 8th policy year and onwards</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table> <p>The above rates are expressed as a percentage of the total account value of the Initial Account and the Accumulation Account. For the avoidance of doubt, the Clawback Amount (if any) and any outstanding fees and charges due under the policy shall first be deducted from the total account value before the total account value is multiplied by the applicable surrender charge rate.</p> <p>A surrender charge will be deducted from the total account value.</p> <p>Example for calculation of the surrender charge for the case that the policy is surrendered in the 6th policy year (The below illustration is hypothetical and for illustrative purpose only):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Investment Term</td> <td>=</td> <td>10 years</td> </tr> <tr> <td>Total account value of the Initial Account and the Accumulation Account at the time of surrender</td> <td>=</td> <td>HK\$5,600,000</td> </tr> <tr> <td>Outstanding fees and charges</td> <td>=</td> <td>HK\$0</td> </tr> <tr> <td>Clawback Amount</td> <td>=</td> <td>HK\$403,200 (please refer to the Example for calculation of the Clawback Amount on p.3 for details)</td> </tr> <tr> <td>Surrender Charge</td> <td>=</td> <td>(HK\$5,600,000 – HK\$0 – HK\$403,200) x 4%</td> </tr> <tr> <td></td> <td>=</td> <td><u>HK\$207,872</u></td> </tr> <tr> <td>Surrender Value</td> <td>=</td> <td>HK\$5,600,000 – HK\$0 – HK\$403,200 – HK\$207,872</td> </tr> <tr> <td></td> <td>=</td> <td><u>HK\$4,988,928</u></td> </tr> </tbody> </table>	Policy Year	Investment Term		5 years	10 years	Within the 1 st policy year	6%	8%	Within the 2 nd policy year	6%	8%	Within the 3 rd policy year	6%	8%	Within the 4 th policy year	6%	8%	Within the 5 th policy year	4%	6%	Within the 6 th policy year	N/A	4%	Within the 7 th policy year	N/A	2%	Within the 8 th policy year and onwards	N/A	0%	Investment Term	=	10 years	Total account value of the Initial Account and the Accumulation Account at the time of surrender	=	HK\$5,600,000	Outstanding fees and charges	=	HK\$0	Clawback Amount	=	HK\$403,200 (please refer to the Example for calculation of the Clawback Amount on p.3 for details)	Surrender Charge	=	(HK\$5,600,000 – HK\$0 – HK\$403,200) x 4%		=	<u>HK\$207,872</u>	Surrender Value	=	HK\$5,600,000 – HK\$0 – HK\$403,200 – HK\$207,872		=	<u>HK\$4,988,928</u>
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Note: For the purposes of calculating the fees and charges, the number of notional units of the investment choices cancelled will be rounded down to four decimal places.

FTLife reserves the right to vary the above fees and charges, imposes new charges or change the above rounding rule with not less than one month's prior written notice or other period of notice in compliance with the relevant regulatory requirements.

General Information

Policy Currency

Aviator Plus is issued in HK dollars.

Application Procedure

Aviator Plus is available to applicants aged from 18 years old to 75 years old (the age on last birthday). If you wish to apply for Aviator Plus, simply return the completed application form with your premium payment to FTLife's representatives.

Payment of Premium

Premium for Aviator Plus shall be paid by crossed cheque in HK dollars and made payable to "FTLife Insurance Company Limited".

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 21 days after the delivery of the policy or issue of a notice to you or your representative. Such notice should inform you of the availability of the policy and expiry date of the cooling-off period. Please refer to the cooling off initiative issued by the Hong Kong Federation of Insurers from time to time for reference.
- You have to tell FTLife by giving a written notice. Such notice must be signed by you and received directly by FTLife at 27/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- You may get back the amount you paid, or less if the value of the investment choices chosen has gone down.

Please note that you will not be entitled to any Welcome Bonus if you cancel the policy within the cooling-off period. We will only refund the total premium that you have paid, subject to a market value adjustment that reflects any losses FTLife might have incurred in realizing the value of the assets we acquired by investing the total premium you paid to us.

Account Value

The value of each investment choice can be calculated by multiplying bid prices of an investment choice by the number of units in that investment choice. The account value of the policy equals to the sum of the value of each investment choice. Please visit our website at www.ftlife.com.hk to obtain the unit prices.

Termination of Investment Choices

You will be given a one month's prior written notice or other period of notice in compliance with the relevant regulatory requirements for termination of investment choices offered under Aviator Plus.

Borrowing power

Aviator Plus has no borrowing powers. For details of the borrowing power of underlying funds, please refer to the offering documents of the relevant underlying funds. Please visit our website at www.ftlife.com.hk to obtain the offering documents of the underlying funds for details.

Governing Law

Aviator Plus is governed and interpreted in accordance with the laws of Hong Kong Special Administrative Region and all parties to this policy will submit to the non-exclusive jurisdiction of the courts of Hong Kong.

Taxation

Income and capital gains under Aviator Plus are exempted from taxation under the Hong Kong Inland Revenue Ordinance. However, you are advised to seek professional advice regarding your personal taxation liabilities.

U.S. Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act ("FATCA"), a foreign financial institution ("FFI") is required to report to the U.S. Internal Revenue Service ("IRS") certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS ("FFI Agreement") in respect of FATCA and / or who is not otherwise exempt from doing so (referred to as a "nonparticipating FFI") will face a 30% withholding tax ("FATCA Withholding Tax") on all "withholdable payments" (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement ("IGA") to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to FTLife Insurance Company Limited (the “Company”) and Aviator Plus. FTLife is a participating FFI. FTLife is committed to complying with FATCA. To do so, FTLife requires you to:

- (i) provide to FTLife certain information including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc); and
- (ii) consent to FTLife reporting this information and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a “Non-Compliant Accountholder”), FTLife is required to report “aggregate information” of account balances, payment amounts and number of non-consenting US accounts to IRS.

FTLife could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, Aviator Plus. Currently the only circumstances in which FTLife may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case FTLife may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to Aviator Plus and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case FTLife may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to Aviator Plus and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or Aviator Plus.

Automatic Exchange of Financial Account Information in Tax Matters and Common Reporting Standard

Automatic Exchange of Financial Account Information in Tax Matters (“AEOI”) is about improving transparency in the fight against tax evasion and in so doing protecting the integrity of the tax systems of the participating jurisdictions. Hong Kong has now legislation in place for AEOI. The Inland Revenue (Amendment) (No. 3) Ordinance 2016 has introduced the relevant provisions to the Inland Revenue Ordinance, incorporating the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development.

The Company, as a reporting financial institution under the relevant ordinance, must comply with the following requirements of the Inland Revenue Ordinance to facilitate the Hong Kong Inland Revenue Department (“IRD”) automatically exchanging certain financial account information with participating tax jurisdictions with which Hong Kong has entered into a Competent Authority Agreement as provided for thereunder:

- (i) to identify certain accounts as non-excluded financial accounts (“NEFAs”);
- (ii) to identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (iii) to determine the status of certain NEFA-holding entities as passive entities that are not financial institutions and identify the jurisdiction(s) in which their controlling persons reside for tax purposes;
- (iv) to collect certain information on NEFAs (“AEOI Required Information”); and
- (v) to furnish certain AEOI Required Information to the IRD. (Collectively, the “AEOI requirements”)

In order to comply with the AEOI Requirements, from 1 January 2017, the Company will request account holders (including individuals, entities and controlling persons and, in respect of your insurance policy, including without limitations, the policyholder and the beneficiary) for all new accounts to complete and provide us with a self-certification form regarding one’s tax residence. As for existing accounts, if the Company has doubts about the tax residence of an account holder, the Company may require such account holder to provide us with a self-certification form regarding his/her/its tax residence.

Any failure to provide any requested information may result in the Company being unable to proceed your application. You should notify us of any change in circumstance which a) affects your tax residency status; or b) causes the information provided under your previously submitted self-certification form to become incorrect, and provide us with a suitably updated self-certification form within 30 calendar days of such change in circumstances in accordance with applicable laws and regulations. Further, you should agree to comply with requests made by the Company to comply with the AEOI requirements. The Company reserves the right to take any action as it deems necessary in order for the Company to comply with any applicable ordinance(s).

The Company does not provide any legal and tax advice, you should seek independent professional legal and tax advice on the implications of the applicable ordinances may have on you and your insurance policy.

Responsibility

FTLife Insurance Company Limited (A company incorporated in Bermuda with limited liabilities) accepts responsibility for the accuracy of the information contained in the Offering Documents at the date of publication and confirms, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

Authorization

Aviator Plus and its Offering Documents have been authorized by the Securities and Futures Commission (“SFC”), under sections 104(1) and 105(1) of the Securities and Futures Ordinance. SFC authorization is not a recommendation or endorsement of a plan nor does it guarantee the commercial merits of a plan or its performance. It does not mean the plan is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC does not take any responsibility for the contents of the Offering Documents, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Documents.

Investment Choices

The investment choices are offered by FTLife. The investment choices are respectively linked to underlying funds. FTLife will be investing the net premium received from you into the underlying funds corresponding to the investment choices as selected by you for FTLife’s asset liability management.

However, you are not investing in the underlying funds of the investment choices. You do not have any rights or ownership over those underlying investments. The allocations of units of the investment choices to your policy are notional and are solely for the purpose of determining the account value of your policy.

General Risk

You should note that the investment returns provided will be subject to various risk factors, including without limitation, normal market and currency risks. Some or all of the risk factors may adversely affect the investment choices performance and their ability to achieve their investment objectives. There is no assurance that the investment choices will achieve their respective investment objectives.

You should carefully consider the risk factors relating to investment in an investment choice in light of your own financial circumstances, knowledge, experience and other personal circumstances, and should seek independent professional advice if necessary.

Please refer to the offering documents of the relevant underlying funds for details of the investment objectives and the risk factors.

1. Investment involves risks, and the value of your investments may go up as well as down. Investment returns are not guaranteed. Past performance is not indicative of future performance. Each investment choice is subject to market and interest rate fluctuations and to the risks inherent in all investments. Some investment choices offered under Aviator Plus may involve assets denominated in foreign currencies, and this may entail additional risks as the result of exchange rate fluctuations.

2. The return you will receive on an investment in fixed income instruments will depend on (i) interest rate returns and foreign currency exchange rates, both of which may fluctuate; and (ii) the credit standing of the issuers which cannot be guaranteed.
3. Transactions in derivatives may be used to meet its investment objectives. The use of such instruments, as well as techniques included in its scheme property, may increase the volatility of an underlying fund’s net asset value. Its degree of risk may therefore be greater than in the case with conventional securities.
4. The prospects for economic growth in a number of smaller and emerging markets may be considerable, and these markets may have the potential to provide greater returns on equity than mature markets. However, there are risks from political, economic, and market factors in smaller and emerging markets which may result in significant risks involved in investing in them, and may expose the underlying funds investing in these markets to significant losses.
5. Investment that focuses on certain industries can be significantly affected by events relating to those industries, such as international political and economic developments, taxation and government regulations. It is important to understand that underlying funds that are thematic or sectoral in nature may be more volatile than diversified equity underlying funds.
6. Higher yield investment generally incurs a greater degree of risk than lower yield investment, such as, but not limited to, credit risks, normal market and currency risks.
7. Aviator Plus may not be suitable for all investors. You should understand the details of an investment-linked insurance plan and consider your investment objectives and other personal circumstance before you invest in it.

List of investment choices made available under Aviator Plus

You should read the offering documents (including the product key facts statements) of the underlying funds, which are made available from FTLife upon request for details of the underlying funds (including, without limitation, their investment objectives and policies, risk factors and charges).

Code of Investment Choice	Name of Investment Choice	Name of Corresponding Underlying Fund	Name of Management Company of Underlying Fund	Share Class of Underlying Fund	Currency of Investment Choice	Currency of Underlying Fund
F147	Allianz Global Investors Fund - Allianz Hong Kong Equity (AT-Acc)	Allianz Global Investors Fund - Allianz Hong Kong Equity	Allianz Global Investors GmbH	Class AT Acc	HK\$	HK\$
F144	CCB International Fund Series - CCB International - China Policy Driven Fund	CCB International Fund Series - CCB International - China Policy Driven Fund	CCB International Asset Management Limited	–	HK\$	HK\$
F120	Fidelity Funds - China Opportunities Fund ("A-ACC-HKD" Shares)	Fidelity Funds - China Opportunities Fund	FIL Investment Management (Luxembourg) S.A.	Class A-Acc	HK\$	HK\$
F193	Haitong Middle Kingdom Fund	Haitong Middle Kingdom Fund	Haitong International Investment Managers Limited	–	HK\$	HK\$

Code of Investment Choice	Name of Investment Choice	Name of Corresponding Underlying Fund	Name of Management Company of Underlying Fund	Share Class of Underlying Fund	Currency of Investment Choice	Currency of Underlying Fund
F134	Principal Life Style Fund - Principal China Equity Fund	Principal Life Style Fund - Principal China Equity Fund	Principal Asset Management Company (Asia) Limited	Acc	HK\$	HK\$
F135	Principal Life Style Fund - Principal Hong Kong Equity Fund	Principal Life Style Fund - Principal Hong Kong Equity Fund	Principal Asset Management Company (Asia) Limited	Acc	HK\$	HK\$
F66	Schroder International Selection Fund ("IFS") - Hong Kong Equity Fund (A1-Acc Shares)	Schroder International Selection Fund - Hong Kong Equity	Schroder Investment Management (Luxembourg) S.A.	A1-Acc Shares	HK\$	HK\$
F146	Schroder International Selection Fund ("IFS") - Hong Kong Dollar Bond (A1-Acc Shares)	Schroder International Selection Fund - Hong Kong Dollar Bond	Schroder Investment Management (Luxembourg) S.A.	A1-Acc Shares	HK\$	HK\$
F204	Value Partners China Greenchip Fund Limited (Class A)	Value Partners China Greenchip Fund Limited	Value Partners Limited	Class A	HK\$	HK\$

Additional information

- Each underlying fund is subject to its own subscription fee and this subscription fee is not applicable to Aviator Plus.
- For more information of the underlying funds, please refer to the respective offering documents.

Please refer to the offering documents of the relevant underlying funds for details.

Valuation of Investment Choices

Your premiums allocated to an investment choice or proceeds switched into an investment choice according to your instruction will be used to allocate notional units to the investment choice as soon as practicable on a valuation date after we have received your premiums or those proceeds from the switching transaction(s).

The number of notional units of investment choices allocated will be the relevant amount of premium or proceeds from the switch divided by the offer price of the units allocated as at the valuation date.

The bid price and offer price of a unit of each investment choice on a valuation date will be the same as the quoted bid price and offer price respectively of the unit or share of that underlying fund on that valuation date and in the currency of that underlying fund. A valuation date of an investment choice is the same as the valuation date of its respective underlying fund which is determined by the relevant manager of the underlying fund.

Underlying fund units are currently bought and sold on every working day, and on a forward-pricing basis.

For further details about the underlying funds and the managers of the underlying funds (including details of fees and charges, investment restrictions and borrowing power, dividends, valuations, unit price calculations and other features), please refer to the relevant offering documents of the underlying funds, which are made available by FTLife.

Exceptional Circumstances

FTLife reserves the right to delay carrying out the valuation and the processing of requests to allocate, cancel or switch units of the investment choices caused by exceptional circumstances beyond FTLife's control. The exceptional circumstances include, without limitation, the closure of or suspension of dealings on a major stock exchange, unexpected government intervention in foreign exchange, and suspension of valuation of, or dealing in any underlying investments of an investment choice. No interest shall be paid in respect of any delays in payments due to such exceptional circumstances.



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