

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”)	Governing law of policy	Laws of Hong Kong Special Administrative Region
Single or regular premium	Single premium	Policy currency	US dollar
Regular premium frequency	Not applicable	Minimum investment amount	US\$5,000
Minimum premium payment term	Not applicable	Maximum investment amount	Not applicable
Period with surrender charge (early redemption charge)	The first 5 policy years	Death benefit	105% of the <u>Account Value</u>

Important

- Legend 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.
- Legend is **not** suitable for investors with short- or medium- term liquidity needs.

• Fees and charges

17.9% of your premium (after taking into account the non-discretionary special bonuses) 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 payment of single premium of US\$125,000 (i.e. HK\$1,000,000 at an exchange rate of US\$1 equivalent to HK\$8); (b) you hold your ILAS policy for 20 years; (c) an assumed rate of return of 3% per annum throughout 20 years; and (d) there is no early withdrawal / 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 / withdrawal 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, and will be significantly higher if the premium amount is lower.

Important (Con't)

- **Long-term features**

Early surrender / withdrawal charges:

- (a) There will be an early redemption charge of up to 7% of the requested withdrawal amount in case of partial withdrawal, or of the **Account Value** in case of policy surrender within the first 5 policy years. You may also lose your entitlement to special bonuses. Please refer to the section of "Summary of Fees and Charges" on page 4 and page 5 of Product Guide for details.

Special Bonus:

- (b) A special bonus will be paid at the end of every policy year commencing from the 6th policy year while your policy is in effect. The bonus equals to 1.2% of arithmetic average of **Account Value** as at the end of every policy month during the relevant policy year. Special bonus is subject to the terms and conditions, please refer to the section of "Special Bonus" on page 2 and page 3 of the Product Guide for details. The bonus will be allocated in the form of additional notional units of investment choices according to your latest allocation instruction in our record.

- **Intermediaries' remuneration**

Although you may pay nothing directly to the intermediary who sells / distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay. 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?

- Legend 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 policy, will be invested by FTLife in the underlying funds you selected and will accordingly go towards accretion of the value of your policy. Your 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 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 3 to page 4 for details of the fees and charges payable by you.
- Underlying funds available for selection are the funds listed in the Investment Guide. These funds are authorized by the Securities and Futures Commission pursuant to the UT Code.
- Although Legend 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.

What are the key risks?

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

- **Credit and insolvency risks** - Legend is an insurance policy issued by FTLife. Your investments are subject to the credit risks of FTLife.
- The investment choices available under Legend 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 / withdrawal penalty** - Legend is designed to be held for a long term period. Early surrender or withdrawal of the policy within the first 5 policy years is subject to an early redemption charge and may result in a significant loss of principal and / or bonuses. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.
- **Market risks** - Return of Legend is contingent upon the performance of the underlying funds and therefore there is a risk of capital loss.
- **Foreign exchange risks** - The investment returns of your policy may be subject to foreign exchange risks as some of the underlying funds may be denominated in a currency which is different from that of your policy. All premiums payable for this policy shall be paid in US dollar or HK dollar, and the premiums received by us in HK dollar will be converted into US dollar at the prevailing exchange rate as quoted by us from time to time. Therefore it may be subject to foreign exchange risks as a result of currency conversion.

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.

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
Administration Fee	0.075% per month (0.9% per annum) of the <u>Account Value</u> for the first 5 policy year.	The <u>Account Value</u> monthly in arrears for the first 5 policy years by unit cancellation of investment choices in proportion to the value of the investment choices in the policy.
Investment Management Fee for Investment Choices	0.125% per month (1.5% per annum) of the <u>Account Value</u> .	The <u>Account Value</u> monthly in arrears while the policy is in force by unit cancellation of investment choices in proportion to the value of the investment choices in the policy.
Switching Fee	Up to 2% of the amount being switched but is currently waived.	Switching amount

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

Scheme level (Con't)

	Applicable rate	Deduct from														
Early Redemption Charge	Early Redemption Charge is calculated as a percentage of the requested withdrawal amount (if notional units of investment choices are withdrawn upon partial withdrawal) or the <u>Account Value</u> (if the policy is surrendered).	The requested withdrawal amount (if notional units of investment choices are withdrawn upon partial withdrawal) or the <u>Account Value</u> (if the policy is surrendered).														
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6 and onwards	Nil															

Please refer to the section of “Summary of Fees and Charges” on page 4 and page 5 of the Product Guide 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) 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 Investment Guide, 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.

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 Legend 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>Account Value</u>	Account value of the policy equals to the sum of the value of all investment choices in the policy account. The value of each investment choice can be calculated by multiplying the bid price of an investment choice by the number of notional units of that investment choice.
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Legend



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 **Legend**, 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 Principal Brochure consists of this Product Guide and the Investment Guide. The offering documents of **Legend** 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 **Legend** comprise the policy provision and policy specifications. This Principal Brochure does not constitute a contract. Payment of any proceeds under the **Legend** 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: January 2017

Issuer: FTLife Insurance Company Limited

Important Notes:

1. Legend 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.
2. All premiums you pay towards Legend, 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.
3. 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 Legend shall be subject to the charges of Legend and may be lower than the return of the corresponding SFC-authorized fund.
4. The investment choices available under Legend 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.
5. Legend is designed to be held for a long term period. Early surrender or withdrawal of the policy within the first 5 policy years is subject to an early redemption charge and may result in a significant loss of principal and / or bonuses. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.
6. Investment involves risk. You should not purchase Legend unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.
7. The investment returns of your policy may be subject to foreign exchange risks in the process of currency conversion in case that (1) some of the underlying funds are denominated in a currency which is different from that of your policy and / or (2) the premium you pay or the amount we pay to you is in a currency different from your policy currency.



Legend

Legend 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 ICO in Hong Kong.

Please read this Product Guide in conjunction with the Investment Guide, Product Key Facts Statement, and offering documents of the underlying funds before you apply for Legend.

Please visit our website at www.ftlife.com.hk, to obtain the Product Guide, Investment Guide and Product Key Facts Statement of Legend, 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.

Product Features

Single Premium and Premium Allocation

The minimum single premium is US\$5,000. Your premium will be used to allocate notional units of investment choices to the policy account according to your allocation instruction.

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

Legend does not accept payment of any additional premium, if you would like to increase the premium contributions to Legend, you may consider applying for a new policy and it will be subject to separate and independent fees and charges.

If the sum of the value of all investment choices in the policy account ("Account Value") drops to zero, the policy will be terminated. The Account Value may drop to zero 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.

No Initial Charge

100% of your premium paid will be invested in your selected investment choices without any initial charges. The number of notional units of investment choices allocated equals to the premium paid divided by the offer prices of the units of investment choices allocated and rounded down to 4 decimal places.

No Bid-offer Spread on All Investment Choices

All of the investment choices have no bid-offer spread. As there is no bid-offer spread, the bid price of an investment choice is equal to the offer price of the same investment choice. 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.

Partial Withdrawal

To accommodate your ever-changing investment needs, you can withdraw a portion of the Account Value at any time subject to applicable charge and the following conditions:

- (a) The minimum amount of each withdrawal request is US\$600, and
- (b) The minimum balance of the Account Value immediately after withdrawal is US\$3,000, and
- (c) Unless the entire holding in the investment choice is withdrawn, the minimum balance in each investment choice immediately after withdrawal is US\$600.

Partial withdrawal is free of charge after the 5th policy year. If your Account Value is withdrawn within the first 5 policy years, an early redemption charge up to 7% of the requested withdrawal amount is applicable. Please refer to the section of **Summary of Fees and Charges** for details.

The withdrawal request will not be processed if the above conditions are not met. FTLife may change these minimum requirements from time to time by giving a one month's prior written notice.

Withdrawal from the policy may result in a significant loss of principal and / or Special Bonus. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible. Please note that withdrawal made reduces the account value and may lead to reduction in the death benefit and Special Bonus. It may also lead to termination of the policy if the account value drops to zero. Please refer to the sections of Death Benefit and Special Bonus for details.

Switching

Legend 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 US\$600 and the remaining balance in each investment choice should be at least equal to US\$600 immediately after a switch, otherwise, switching cannot be processed.

FTLife may change the minimum switching amount and the minimum remaining balance requirements from time to time by giving one month's prior written notice.

Special Bonus

A special bonus ("Special Bonus") will be offered at the end of every policy year commencing from the 6th policy year while your policy is in effect. The bonus equals to 1.2% of the arithmetic average of Account Value as at the end of every policy month during the relevant policy year ("Average Monthly Account Value"). The Special Bonus will be allocated in the form of additional notional units of investment choices according to your latest allocation instruction in our record and form part of the Account Value, therefore it is subject to the applicable fees and charges of the policy. Please refer to the section of **Summary of Fees and Charges** for details.

The Special Bonus rate as described above does not represent the rate of return or performance of your investment.

Illustrative example for calculation of the Special Bonus payable at the end of the 6th policy year:

End of Policy Month	61 st	62 nd	63 rd	64 th	65 th	66 th
Account Value	US\$20,050	US\$20,080	US\$20,120	US\$20,040	US\$19,970	US\$20,010
End of Policy Month	67 th	68 th	69 th	70 th	71 st	72 nd
Account Value	US\$20,080	US\$20,150	US\$20,250	US\$20,310	US\$20,330	US\$20,400
Average Monthly Account Value	= (Sum of the Account Value as at the end of each of 61 st to 72 nd policy month) / 12					
	= US\$241,790 / 12					
	= US\$20,149.17					
Special Bonus	= Average Monthly Account Value x 1.2%					
	= US\$20,149.17 x 1.2%					
	= <u>US\$241.79</u>					
The above illustration is hypothetical and for illustrative purpose only.						

Please note that you will not be entitled to Special Bonus if your policy is terminated before the Special Bonus is credited to the policy. Partial withdrawal from the policy account may result in a significant reduction in the Account Value and therefore lead to a reduction in Special Bonus.

Death Benefit

A death benefit will be payable should the insured pass away while the policy is in effect. The amount of death benefit payable under the policy will be equal to 105% of the Account Value.

The death benefit 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. All our liabilities due under the policy will be discharged on payment of the death proceeds.

Please note that if the insured commits suicide, the death benefit will not be payable. For the death proceeds under suicide, please refer to the Suicide section for more information.

Although Legend 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.

Suicide

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 Account Value will be paid.

The death proceeds of suicide will be paid within one month (without interest) after we have received satisfactory proof of death of the insured and our approval of the death claim. All our liabilities due under the policy will be discharged on payment of the death proceeds.

Maturity Benefit

On the policy anniversary that is on or after the insured's 100th birthday if the insured is alive, we will cancel all notional units of the investment choices in the policy and pay you the Account Value without any interest within one month after that date.

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. **An early redemption charge^{Note} of up to 7% of the Account Value will be deducted from the Account Value when the policy is surrendered within the first 5 policy years.** 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 of early redemption charge.

Note: The redemption charge is calculated by multiplying the applicable early redemption charge rate by the Account Value.

Legend 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.

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 sections of **Death Benefit** and **Suicide** for details); or

- (iii) On the policy anniversary that is on or after the insured's 100th birthday (please refer to the section of **Maturity Benefit** for details); or
- (iv) The Account Value drops to zero.

If the Account Value drops to zero, the policy will be terminated. The Account Value may drop to zero 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.

Summary of Fees and Charges

Fees and Charges on Legend^{Note}																																				
Administration Fee	0.075% per month (0.9% per annum) of your Account Value will be deducted monthly in arrears for the first 5 policy years by unit cancellation of investment choices in proportion to the value of the investment choices in the policy.																																			
Investment Management Fee for Investment Choices	0.125% per month (1.5% per annum) of your Account Value will be deducted monthly in arrears while the policy is in force by unit cancellation of investment choices in proportion to the value of the investment choices in the policy.																																			
Switching Fee	Currently waived but subject to a maximum of 2% of the amount being switched.																																			
Early Redemption Charge	<p>An early redemption charge will be deducted from the requested withdrawal amount (if notional units of investment choices are withdrawn upon partial withdrawal) or the Account Value (if the policy is surrendered) within the first 5 policy years.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Policy Year</th> <th style="text-align: center;">Percentage of the Requested Withdrawal Amount (in case of partial withdrawal) / Account Value (in case of policy surrender)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">7.0%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">6.0%</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">4.0%</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">3.0%</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">1.5%</td> </tr> <tr> <td style="text-align: center;">6 and onwards</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table> <p>The above rates are expressed as a percentage of the requested withdrawal amount (if notional units of investment choices are withdrawn upon partial withdrawal) or the Account Value (if the policy is surrendered).</p> <p>The examples below are hypothetical and for illustrative purpose only.</p> <p>Example for calculation of the early redemption charge for the case that partial withdrawal is made in the 3rd policy year:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Requested Withdrawal Amount</td> <td style="width: 10%;">=</td> <td style="width: 50%;">US\$5,000</td> </tr> <tr> <td>Early Redemption Charge</td> <td>=</td> <td>Requested Withdrawal amount x applicable rate of early redemption charge</td> </tr> <tr> <td></td> <td>=</td> <td>US\$5,000 x 4%</td> </tr> <tr> <td></td> <td>=</td> <td><u>US\$200</u></td> </tr> <tr> <td>Net Amount Payable</td> <td>=</td> <td>Requested Withdrawal amount – early redemption charge</td> </tr> <tr> <td></td> <td>=</td> <td>US\$5,000 – US\$200</td> </tr> <tr> <td></td> <td>=</td> <td><u>US\$4,800</u></td> </tr> </table>	Policy Year	Percentage of the Requested Withdrawal Amount (in case of partial withdrawal) / Account Value (in case of policy surrender)	1	7.0%	2	6.0%	3	4.0%	4	3.0%	5	1.5%	6 and onwards	Nil	Requested Withdrawal Amount	=	US\$5,000	Early Redemption Charge	=	Requested Withdrawal amount x applicable rate of early redemption charge		=	US\$5,000 x 4%		=	<u>US\$200</u>	Net Amount Payable	=	Requested Withdrawal amount – early redemption charge		=	US\$5,000 – US\$200		=	<u>US\$4,800</u>
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Summary of Fees and Charges (con't)

Fees and Charges on Legend^{Note}	
Early Redemption Charge (con't)	<p>Example for calculation of the early redemption charge for the case that the policy is surrendered in the 4th policy year:</p> <p>Account Value at the time of surrender = US\$20,000</p> <p>Early Redemption Charge = Account Value at the time of surrender x applicable rate of early redemption charge</p> <p style="padding-left: 40px;">= US\$20,000 x 3%</p> <p style="padding-left: 40px;">= <u>US\$600</u></p> <p>Surrender Value Payable = Account Value at the time of surrender – early redemption charge</p> <p style="padding-left: 40px;">= US\$20,000 – US\$600</p> <p style="padding-left: 40px;">= <u>US\$19,400</u></p>

Fees and Charges on the Underlying Funds	
Management Charge for Underlying Funds	<ul style="list-style-type: none"> The Management Charge for underlying funds includes annual management fees, maintenance fees and distribution fees (if any) and these charges are reflected in the unit prices of the underlying funds. Please refer to the offering documents of the respective underlying funds for details.
Bid-Offer Spread	<ul style="list-style-type: none"> Currently waived.
Other Charges	<ul style="list-style-type: none"> Underlying funds may be subject to other charges imposed by the fund managers of the underlying funds. Please refer to the offering documents of the respective underlying funds for details.

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, or impose 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

Legend is issued in US dollar. Premiums can be paid in HK dollars or in policy currency only. The premiums received by us in HK dollars will be converted to the policy currency at the prevailing exchange rate determined by FTLife from time to time with reference to market rates. Therefore it may be subject to foreign exchange risks in the process of currency conversion.

The amount we pay to you will be in HK dollars. The amount in policy currency (US dollars) will be converted into HK dollars at the prevailing exchange rate determined by FTLife from time to time with reference to market rates and it may be subject to foreign exchange risks in the process of currency conversion. Alternatively, you can inform us to pay in policy currency (US dollars).

Application Procedure

Legend is available to applicants aged from 15 days old to 75 years old (the age on last birthday). If you wish to apply for Legend, please return the completed application form with your single premium payment to FTLife's representatives.

You should not purchase Legend unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.

Payment of Premium

Premium for Legend shall be paid by crossed cheque and made payable to "FTLife Insurance Company Limited". Where applicable, premium paid in HK dollar will be converted into US dollar at the prevailing exchange rate determined by FTLife from time to time with reference to market rates.

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.

Account Value

Account Value of the policy equals to the sum of the value of all investment choices in the policy account. The value of each investment choice can be calculated by multiplying the bid price (i.e. the unit price at which a notional unit of an investment choice is cancelled) of an investment choice by the number of notional units of that 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 Legend.

Borrowing Power

Legend has no borrowing power. Borrowing power of the underlying funds is set out in 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

Legend 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 Legend 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 Legend. 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, Legend. 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 Legend 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 Legend and remit this to the IRS.

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

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

Legend 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.

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