

investment-linked insurance



**orion investment
insurance plan**

product brochure



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The Principal Brochure of **Orion Investment Insurance Plan (“Orion”)** consists of this Product Brochure, the Investment Options Leaflet and the Product Key Facts Statement. This Product Brochure is issued and should be read in conjunction with the Investment Options Leaflet and the Product Key Facts Statement.



IMPORTANT INFORMATION

- **Orion** is an investment-linked insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited (the “Company”). Your investments are subject to the credit risks of the Company.
- Your return on investments is calculated by the Company with reference to the performance of the reference funds which correspond to the investment options selected by you. Such return will be subject to the fees and charges of **Orion** and may be lower than the return of the reference funds.
- The investment options available under **Orion** can have very different features and risk profiles. Some may be of high risk.
- All premiums you pay towards your **Orion** policy, and any investments made by the Company in the reference funds which correspond to the investment options you selected will become and remain the assets of the Company. You do not have any rights or ownership over any of those assets. Your recourse is against the Company only.
- The insurance charge will reduce the amount that may be applied towards investment by the Company in the reference funds which correspond to the investment options you selected. It may increase significantly during the payment term of the insurance charge due to factors such as the insured’s attained age, investment losses, etc. This may result in a significant or even total loss of your premiums paid.
- If the Account Value of your **Orion** policy becomes insufficient to cover all the ongoing fees and charges, including the insurance charge, your policy may be terminated early and you could lose all your premiums paid and benefits. You should consult your financial consultant for details, such as how the fees and charges may increase and could impact the Account Value of your **Orion** policy.
- Partial withdrawal or surrender or termination of the policy in the early years/suspension of or reduction in premium may result in a significant loss of the principal and the bonuses. Poor performance of the reference funds may further magnify your investment losses, while all charges are still deductible.
- You should not purchase this product unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.
- Investment involves risks. You should not invest based on this document only and should read the Investment Options Leaflet and the Product Key Facts Statement of **Orion** and the offering documents of the reference funds, which are made available by the Company.

If you have any queries on this Product Brochure, the Investment Options Leaflet and the Product Key Facts Statement, please contact your financial consultant for assistance.

Please refer to the section **Glossary** as set out on page 19 for definitions of various defined terms.

Orion is an investment-linked insurance plan with life insurance protection up to the date before the Policy Anniversary which falls on or immediately after the date on which the insured attains the age of 100, whichever is earlier. It enables you to invest in the global markets while enjoying life protection for you and your family.

Orion is an insurance policy issued by the Company as an authorised insurance company in the Macau Special Administrative Region (“Macau”).





Choices of premium cope with your financial obligation

Premium Types

Orion is available in Macau pataca (“MOP”) and US dollar (“USD”). Once the policy currency is determined upon policy issuance, it cannot be changed afterwards.

• Basic Premium

You can choose your basic premium level according to your personal financial needs. The amount of basic premium varies depending on factors such as the insured’s sex, attained age at application, smoking habit, risk class and basic sum insured.

While you need to meet the minimum basic premium requirement, which is currently MOP1,400 / USD180 per annum, the amount of your basic sum insured must also reach the current minimum level of MOP160,000 / USD20,000.

The details of the minimum basic premium for different payment frequencies are set out below:

Payment Frequency	Minimum Basic Premium	
	MOP	USD
Monthly	120	15
Semi-annual	700	90
Annual	1,400	180

An up-front premium charge ranging from 5% to 100% of the basic premium will be deducted from basic premium. The balance will be used by the Company to allocate notional units of investment options to the policy in accordance with your investment option allocation instruction. **Because of this premium charge, the remaining amount of the premium paid available for investment will be 0% of the basic premium paid for the first policy year.** Please refer to the section **Schedule of fees and charges** as set out on page 11 for details.

Subject to the Company’s approval, you may increase and reduce the amount of basic premium and basic sum insured. If you increase the basic premium and basic sum insured, which is only allowed in the first policy year, **you will need to pay back the amount of increase in basic premium and the corresponding premium charge of 100% of the amount of increase in basic premium dating back from the Policy Date.** You can also reduce the basic premium and basic sum insured at any time. However, the amount after reduction must not be less than the respective minimum requirements. Reduction in basic premium and basic sum insured may lead to a significant reduction in loyalty bonus. Please contact your financial consultant or the Company for details.

You may increase the amount of basic premium and basic sum insured after the first policy year according to the special increase endorsement. Please refer to the section **Special Increase Endorsement** on page 7 for details.

Illustrative example for the calculation of back payment for increased basic premium in the case of increase in basic premium in the first policy year:

This example is hypothetical and for illustrative purpose only. Assuming there is no supplementary benefit attached to the policy since policy issuance.

Policy Date	1 January 2012
Basic premium per month at Policy Date	MOP2,000

Starting from 1 June 2012

Basic premium per month	MOP4,000
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Back payment (January to May 2012)

Increase in basic premium (January to May 2012)	
For each month	= MOP4,000 – MOP2,000 = MOP2,000
For 5 months	= MOP2,000 x 5 = MOP10,000
Total basic premium paid in June 2012	= Basic premium for June 2012 + back payment for 5 months from January to May 2012 = MOP4,000 + MOP10,000 = <u>MOP14,000</u>

Note: A premium charge, which is 100% of basic premium (including any increase in basic premium), will be deducted from the total basic premium paid during the first policy year.

The premium payment term is up to the date before the Policy Anniversary which falls on or immediately after the date on which the insured attains the age of 100, whichever is earlier.

- **Top-up Premium or Lump Sum Premium**

You can also pay additional premium to increase your investment. You might base your decision on your budget or future financial commitment, such as your child's future education expenses or expected living standard in your retirement years, when determining the additional premium amount.

You can pay additional premium regularly together with your basic premium (i.e. top-up premium). The minimum top-up premium is currently MOP2,400 / USD300 per annum. You may also increase and reduce the amount of or stop paying the top-up premium subsequently. If you want to reduce the top-up premium, the amount after reduction must not be less than the minimum requirement.

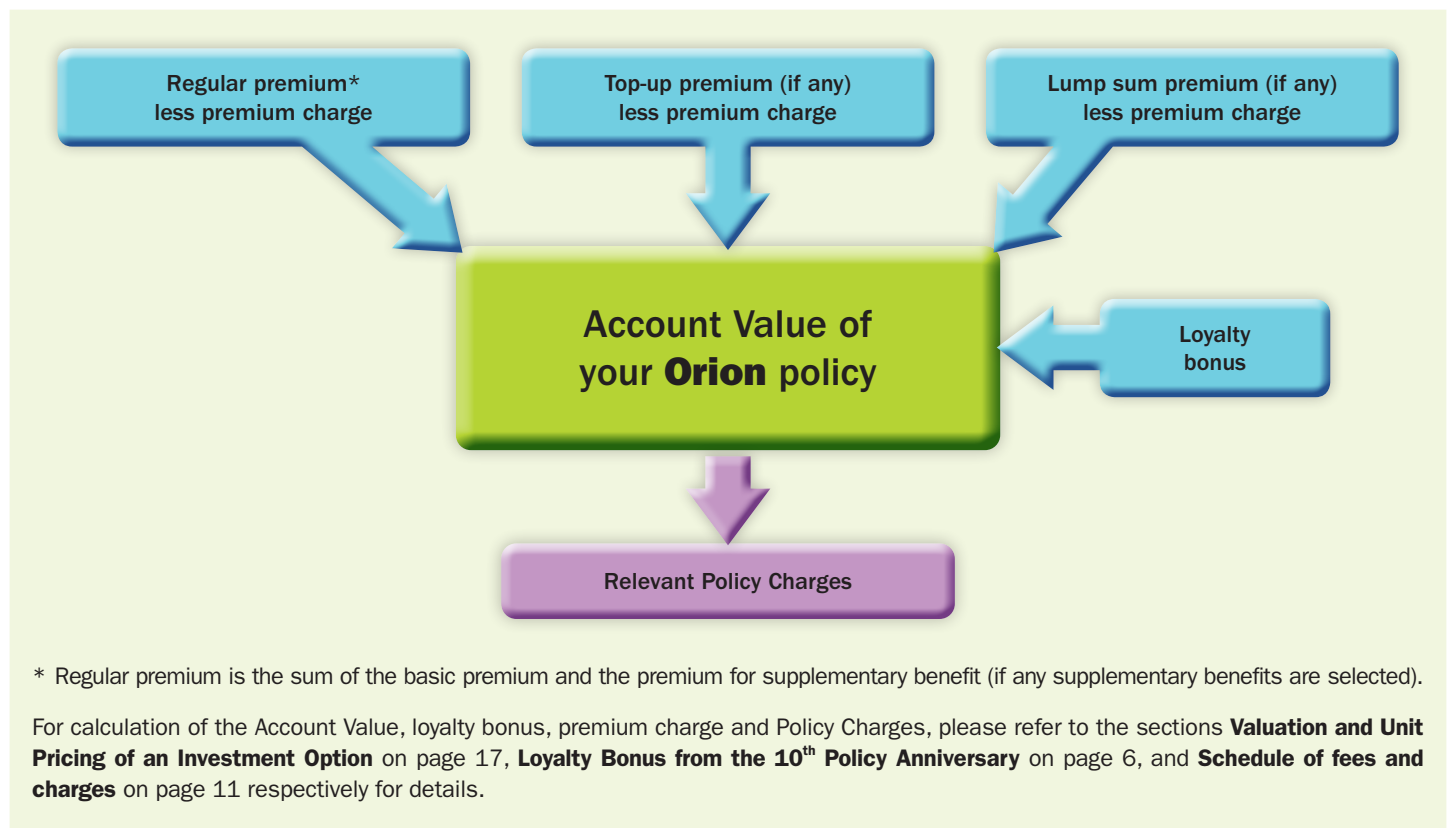
You can pay additional premium as a lump sum investment (i.e. lump sum premium) at any time. The minimum lump sum premium is currently MOP2,400 / USD300.

An up-front premium charge of 5% of top-up premium paid and lump sum premium paid will be deducted from the premiums paid. The balance will be used by the Company to allocate notional units of investment options to the policy in accordance with your investment option allocation instruction. Please refer to the section **Schedule of fees and charges** as set out on page 11 for details.

You can pay the basic premium annually, semi-annually, or monthly. Once selected, it will apply to all basic premiums and top-up premiums made subsequently under the **Orion** policy. Subject to the Company's approval, you may change the premium payment frequency. Please contact the Company for such arrangement.

The maximum levels of each premium type and basic sum insured are subject to underwriting requirements. The Company reserves the right to change the minimum levels of each type of premium and the basic sum insured in future by giving you one month's prior written notice.

Plan Structure of Orion



Premium Holiday

At any time while the Account Value of the policy is sufficient to cover the relevant Policy Charges due, you can apply for a premium holiday to temporarily suspend your regular premium payment. During the premium holiday, your policy and supplementary benefit (if any) will remain in effect while the premium charge, insurance charge, administration charge and investment management fee for the policy as well as the premium charge and insurance charge for any supplementary benefit will remain payable. In addition, although the payment of regular premium is suspended, the regular premium will continue to increase due to special increase endorsement attached to your policy and a premium charge will be imposed on such increase. Please refer to the section **Special Increase Endorsement** on page 7 for details.

For the payment of top-up premium, it will stop automatically and the special increase endorsement will cease to be applicable, and hence no premium charge will be imposed on top-up premium during the premium holiday.

If your Account Value is insufficient to cover the relevant Policy Charges during the premium holiday, the premium holiday will cease and we will notify you to resume payment of the regular premium. No matter whether payment of regular premium is resumed or not, the relevant Policy Charges remain payable while the policy is in effect. A grace period of 31 days will then apply for the payment of Policy Charges. **If any Policy Charges remain outstanding after the expiry of the 31-day grace period from the due date of payment of the relevant Policy Charges, the policy will terminate.** Please refer to the sections **Grace Period**, **Termination** and **Schedule of fees and charges** for details.

As no premium payment will be made during the premium holiday but Policy Charges will continue to be deducted from the account, the Account Value will be significantly reduced. This will therefore lead to a reduction in the loyalty bonus while the death benefit may also be reduced. **Premium holiday will lead to termination of your policy if the Account Value is insufficient to cover the relevant Policy Charges and the Policy Charges remain outstanding after the expiry of the 31-day grace period.**

Please note that any premium holiday taken may adversely affect your ability to meet the investment targets. As a result, premium holiday is more suitable for a short period to help you with temporary financial difficulties or needs.

Partial Withdrawal

You may have specific financial needs at different life stages. At any time while your policy is in effect, you may partially encash your units of the investment options from your policy to accommodate your financial needs, subject to the following conditions:

- the minimum partial withdrawal amount is currently MOP800 / USD100 per withdrawal; and

- the remaining Account Value immediately after the partial withdrawal should not be less than the Minimum Account Balance which currently is MOP4,000 / USD500.

The Company reserves the right to change the minimum partial withdrawal amount in future by giving you one month's prior written notice.

Partial withdrawal may lead to a significant reduction in the Account Value. This will therefore lead to a reduction in the loyalty bonus while the death benefit may also be reduced. **Partial withdrawal will lead to termination of your policy if the Account Value immediately after a partial withdrawal falls below the Minimum Account Balance.** If the Account Value subsequently drops below the Minimum Account Balance due to market fluctuations but is still sufficient to cover the Policy Charges, your policy will continue to be in effect.

The Minimum Account Balance is maintained for the purpose of determining if a partial withdrawal can be made without terminating the policy. We will give you one month's prior written notice should there be any change in the Minimum Account Balance amount.

Surrender

You may surrender the policy to us in exchange for the Surrender Value of the policy which is the Account Value less any outstanding Policy Charges, subject to our receipt of:

- your valid written application in the form specified by us which is available from the Company; and
- the original of your policy contract.

Subject to the conditions under the section **Suspension and Deferral of Dealings of Investment Options**, the Surrender Value will normally be payable within 30 days after our receipt of your valid written application and the original of your policy contract at the Company's office. No interest is payable for the period between the date the units of investment options are cancelled from your account and the date of payment of the Surrender Value.

Termination

The policy will automatically terminate:

- when the policy is surrendered; or
- on the death of the insured; or
- if the Account Value immediately after a partial withdrawal falls below the relevant Minimum Account Balance; or
- when the Account Value is insufficient to cover the relevant Policy Charges due after the expiry of the 31-day grace period; or
- when the basic sum insured is reduced to zero as a result of payment of a benefit under any one of the specified supplementary benefits attached to the policy.

We may terminate the policy at any time if in our opinion your ownership of the policy is likely to impose any regulatory or tax obligation on us that we would not otherwise be subject to.

Upon termination of the policy, any supplementary benefit attached to the policy will also terminate.

On termination, the Surrender Value of the policy will be paid to you or, if applicable, the death benefit will be paid to your beneficiary(ies). Any outstanding applicable Policy Charges will be deducted from the Account Value in calculation of the Surrender Value and the death benefit. Please refer to the section **Schedule of fees and charges** on page 11 for details of the Policy Charges.

Orion is intended for clients who have a long-term investment horizon. Partial withdrawal or surrender or termination of the policy in the early years/suspension of or reduction in premium may result in a significant loss of the principal and the bonuses. Poor performance of the reference funds may further magnify your investment losses, while all charges are still deductible.



Flexible investment helps you plan ahead

Investment Options

Orion gives you a choice of different investment options across various financial instruments and sectors in global markets. It is easy for you to diversify your investment by participating in a range of markets while balancing the risk of your investment portfolio.

You can tailor an investment portfolio by selecting investment options available under **Orion**. Your initial investment option allocation instruction will apply to all premium types chosen at the time of your application. After policy issuance, your **Orion** policy gives you the flexibility to place a different investment option allocation instruction for lump sum premium (if any). You can also change your investment option allocation instruction for your future basic premium and top-up premium (if any) after policy issuance.

Investment option allocation in each investment option that you choose currently should not be less than 10% of each premium payment after deduction of the relevant Policy Charges. However, the Company reserves the right to change the minimum allocation requirement in future by giving you one month's prior written notice.

According to your investment plan, you can design your own allocation mix of investment options with a maximum of 99 investment options per policy via switching of investment options or changing your investment option allocation instruction after policy issuance. However, the Company reserves the right to change the maximum number of investment options you may invest in under your **Orion** policy in future by giving you one month's prior written notice.

Your premiums will be invested by the Company in the respective reference funds which correspond to the investment options you selected or any other investments as the Company may consider appropriate. All applicable up-front premium charges will be deducted before the balance of the premium is invested. Such premiums and investments will become and remain the assets of the Company. You do not have any rights or ownership over any of those assets. Your recourse is against the Company only.

The unit price and the investment performance of an investment option under **Orion** are calculated by the Company with reference to the price and the investment performance of the relevant reference fund(s). Units of the investment options allocated are notional in nature and solely for the purpose of determining the Account Value under your **Orion** policy.

Your return on investments under **Orion** is calculated by the Company with reference to the performance of the reference funds which correspond to the investment options selected by you. Such return will be subject to Policy Charges and may be lower than the return of the reference funds. The investment options available under **Orion** can have very different features and risk profiles. Some may be of high risk. You should read carefully the risk factors, investment and borrowing restrictions set out in the offering document(s) of the reference fund(s), which are made available by the Company.

Please refer to the Investment Options Leaflet for details of the currently available investment options.

Addition/Closure/Termination/Merger of Investment Options

The Company may offer additional investment options from time to time.

An investment option may also be temporarily closed, terminated or merged. Reasons for closure, termination or merger may include but are not limited to the termination, merger or closure for subscription of the reference fund by the investment manager of the reference fund or the unit prices of the reference fund becoming unavailable from the reference fund. In such cases, we will give you notice according to the regulatory requirements, so that you may switch your investment options free of switching fee or direct new premiums to other available investment options.

If we do not receive your switching instruction or new allocation instruction before the date specified in our written notice, we will select one or more designated investment option(s) as outlined in the notice on your behalf and switch your units in the affected investment option(s) free of switching fee and/or redirect your future investment option allocation to the investment option(s) selected by us. In the case of closure or termination, we will select the investment option(s) from the category of **Short-term Bond and Money Market**, as set out in the Investment Options Leaflet, for its relatively low volatility among the asset classes and relatively low exposure to market, currency and other risks. In the case of merger, we will select the investment option into which the affected investment option is merged.

Switch between Investment Options

Your investment objectives may change from time to time. To cope with your changing needs, **Orion** gives you the flexibility to switch your investment between investment options, subject to the following conditions:

- The minimum switching amount is currently MOP800 / USD100 per switch. The Company reserves the right to change this amount in future by giving you one month's prior written notice.
- Each investment option you choose to switch in is subject to a minimum allocation of 10% of the switched amount. The Company reserves the right to change the minimum allocation requirement in future by giving you one month's prior written notice.

The Switching Fee is currently waived. However, the Company reserves the right to impose a Switching Fee of up to 1% of the amount to be switched out in future by giving you one month's prior written notice.



Extra benefits make your life easier

Loyalty Bonus from the 10th Policy Anniversary

As a token of appreciation for your long-term commitment to your **Orion** policy, while your policy is in effect, a loyalty bonus will be awarded to increase your amount for investment at the 10th Policy Anniversary and every anniversary thereafter.

The amount of loyalty bonus is determined by applying a loyalty bonus rate of 1% on the average month-end Account Value for the 12 months prior to the relevant Policy Anniversary.

Please note that the loyalty bonus rate does not represent the rate of return or performance of your investment. Partial withdrawal, premium holiday and premium reduction may lead to a significant reduction in the loyalty bonus.

The loyalty bonus will be paid within one month after the Policy Anniversary on which the bonus is payable. The bonus will be allocated to your policy in the form of additional notional units of investment options at the Offer Price* to your policy according to your latest investment option allocation instruction. The bonus will form a part of the Account Value and is therefore subject to the relevant Policy Charges as set out in the section **Schedule of fees and charges** as set out on page 11.

* Bid-offer Spread is currently waived.

If the policy terminates before the additional notional units of investment options are allocated to your policy as described above, the loyalty bonus will be paid by cheque or such other means as the Company considers appropriate within one month after termination.

Illustrative example for the calculation of the loyalty bonus:

This example is hypothetical and for illustrative purpose only.

Assuming there is no supplementary benefit attached to the policy since policy issuance.

Loyalty bonus payable upon the 10 th Policy Anniversary	=	the average month-end Account Value for the 12 months prior to the relevant Policy Anniversary	x	Loyalty bonus rate
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On the 10th Policy Anniversary:

Average month-end Account Value for the 12 months prior to the relevant Policy Anniversary	MOP30,000
Applicable loyalty bonus rate	1%
Loyalty bonus payable upon the 10 th Policy Anniversary	= MOP30,000 x 1% = <u>MOP300</u>

In addition, such increase in premium will be subject to the relevant Policy Charges (including an up-front premium charge ranging from 5% to 100% of the premium). **Because of the premium charge, the remaining amount of the additional basic premium paid due to special increase endorsement available for investment will be 0% of such increase in basic premium paid for the first year of each increase.** Please refer to the section **Schedule of fees and charges** as set out on page 11 for details.

This special increase endorsement is automatically attached to your **Orion** policy, though you have the right to cancel it. The first special increase will take effect from the first Policy Anniversary. Prior written notice setting out details of the special increase will be sent to you before every Policy Anniversary and if we do not receive your cancellation request within 30 calendar days after a Policy Anniversary, the special increase will be effective for that individual policy year. If you cancel the special increase for two consecutive policy years, this endorsement will terminate. Subject to the Company's approval, you may resume the special increase endorsement in future. Please contact your financial consultant for further details.

Special Increase Endorsement

Without any underwriting requirements, the special increase endorsement, which is available before the insured reaching the age of 60, allows you to pay additional premiums each policy year for increasing your basic sum insured, amount for investments and any supplementary benefit to which the special increase endorsement is applicable. The amounts of additional premiums that you can pay will be calculated at each Policy Anniversary as a percentage of the regular premium and any top-up premium payable respectively (including all increases in regular premium and top-up premium due to special increase endorsement) each policy year. Such percentage will be determined by the Company at its absolute discretion subject to a minimum of 5%, after taking reference to any rises in such consumer price indices as the Company may consider relevant, as released by the Census and Statistics Department of Hong Kong or such similar organisation as may be determined by the Company from time to time.



Protection for your loved ones

Death Benefit

Orion provides two options of death benefits and you can select the option that suits your insurance needs and investment planning, subject to our underwriting decision. Once the death benefit option is determined upon policy issuance, it cannot be changed afterwards.

1. Level Death Benefit option	Death benefit is the higher of: (i) the Account Value of the policy, and (ii) the basic sum insured (including all increases in the basic sum insured due to the increase in the basic premium as a result of special increase endorsement attached to your policy) less all withdrawals made in the 12 months preceding the date of death of the insured.
2. Increasing Death Benefit option	Death benefit is equal to the sum of the basic sum insured (including all increases in the basic sum insured due to the increase in the basic premium as a result of special increase endorsement attached to your policy) and the Account Value of the policy.

Death benefit will cease to be payable from the Policy Anniversary which falls on or immediately after the date on which the insured attains the age of 100, whichever is earlier.

Whichever death benefit option is selected, if the insured of your **Orion** policy commits suicide within one year commencing from the Policy Date or, if applicable, the date of reinstatement, the death benefit paid to the beneficiary(ies) will be equal to the Account Value plus the total Policy Charges paid by you in respect of the policy since the Policy Date or the date of reinstatement, whichever is later, without interest.

Units of investment options under the policy are cancelled upon written notification to us of a death claim by the claimant, and the death benefit will be paid upon receipt and acceptance by us of satisfactory proof of the validity of the claim. If death benefit is not paid within two months from the date the units of investment options are cancelled from your account, we will pay interest on the death benefit from the date the units of investment options are cancelled at a rate as the Company may decide at its discretion with reference to the prevailing market interest rate.

An insurance charge will be levied monthly in advance in respect of the policy. Insurance charge equals the applicable insurance charge rate multiplied by the net amount at risk. The insurance charge rate is determined by the Company with reference to the insured's attained age, sex, smoking habit and risk class.

The net amount at risk varies with the option of death benefit you select. Please refer to the **Illustrative examples for the calculation of the insurance charge** on page 9 for details. For level death benefit option, if the net amount at risk is zero or less than zero, there is no insurance charge for that month. Please refer to the section **Schedule of fees and charges** on page 11 for details of the insurance charge.

Death benefit payable by the Company is subject to the provisions in the section **Amounts payable by the Company** as set out on page 16.

- You should be aware of the following regarding the death benefit and the insurance charge:
- Part of the fees and charges you pay that will be deducted from the Account Value of your **Orion** policy will be used to cover the insurance charge for the life coverage and any additional coverage you may choose.
 - The insurance charge will reduce the amount that may be applied towards investment by the Company in the reference funds which correspond to the investment option you selected.
 - The insurance charge may increase significantly during the payment term of the insurance charge due to factors such as the insured's attained age, investment losses, etc. This may result in a significant or even total loss of your premiums paid.
 - If the value of your **Orion** policy becomes insufficient to cover all the ongoing fees and charges, including the insurance charge, your **Orion** policy may be terminated early and you could lose all your premiums paid and benefits.
 - You should consult your financial consultant for details, such as how the fees and charges may increase and could impact the value of your **Orion** policy.

Illustrative examples for the calculation of the insurance charge:

This example is hypothetical and for illustrative purpose only.

Assuming there is no supplementary benefit attached to the policy since policy issuance.

Insurance charge	= Insurance charge rate x net amount at risk
As of the due date for the insurance charge	
Insurance charge rate for a male (non-smoker) insured at the attained age of 50	0.292% per annum*
Basic sum insured (including all increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement)	MOP480,000
Prevailing Account Value	MOP60,000

Illustration 1: Level Death Benefit option

Net amount at risk	= Basic sum insured (including all increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement) – Account Value = MOP480,000 – MOP60,000 = MOP420,000
Insurance charge for the month	= $0.292\% / 12 \times \text{MOP420,000}$ = <u>MOP102.2</u>

Illustration 2: Increasing Death Benefit option

Net amount at risk	= Basic sum insured (including all increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement) = MOP480,000
Insurance charge for the month	= $0.292\% / 12 \times \text{MOP480,000}$ = <u>MOP116.8</u>

* The Company determines the insurance charge rate from time to time during the payment term of the insurance charge based on the insured's attained age, sex, smoking habit and risk class. Please refer to the section Schedule of fees and charges on page 11 for details.

Illustrative example for the calculation of the Level Death Benefit and Increasing Death Benefit:

This example is hypothetical and for illustrative purpose only.

Assuming there is no supplementary benefit attached to the policy since policy issuance.

When the insured passed away	
Basic sum insured at policy issuance	MOP500,000
Increase in basic sum insured due to increase in the basic premium as a result of special increase endorsement	MOP25,000
Total partial withdrawals made during the 12 months preceding the date of death of the insured	MOP50,000
Prevailing Account Value	MOP30,000

Illustration 1: Level Death Benefit option

Death benefit	= the higher of: (i) the Account Value, and (ii) the basic sum insured (including all increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement) – all withdrawals made in the 12 months preceding the date of death of the insured = the higher of: (i) MOP30,000, and (ii) (MOP500,000 + MOP25,000) – MOP50,000 = MOP475,000 = <u>MOP475,000</u>
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Illustration 2: Increasing Death Benefit option

Death benefit	= the basic sum insured (including all increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement) + the Account Value = (MOP500,000 + MOP25,000) + MOP30,000 = <u>MOP555,000</u>
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Illustrative example for the calculation of the death benefit in the case of suicide within one year from the Policy Date:

This example is hypothetical and for illustrative purpose only.

Assuming there is no supplementary benefit attached to the policy since policy issuance.

Death benefit	= the Account Value + the total Policy Charges paid
At policy issuance	
Basic premium	MOP200 per month
Top-up premium/lump sum premium	MOPO
Payment frequency	Monthly
Assuming there is no change to the basic premium, top-up premium and lump sum premium and no supplementary benefit attached to the policy since policy issuance.	
The policy terminated at the end of the 6 th policy month when the insured committed suicide.	
Basic premium paid during the first 6 policy months	$MOP200 \times 6 = MOP1,200$
Relevant Policy Charges: Premium charge in the first 6 policy months	$= 100\% \text{ of basic premium}$ $= 100\% \times MOP1,200$ $= MOP1,200$
Total Policy Charges paid	MOP1,200
Prevailing Account Value	MOPO
Death benefit	$= MOPO + MOP1,200$ $= \underline{\underline{MOP1,200}}$

Optional Supplementary Benefit

Subject to the Company's approval, you can select from a wide range of additional insurance products for attaching to your **Orion** policy. With additional premium, you may attach supplementary benefits against major illnesses, accidents as well as medical and hospital expenses to your **Orion** policy. For **Orion**, you can also opt for waiver of premium protection against total disability.

The amount of premium for supplementary benefit varies depending on factors such as the type of supplementary benefit you selected, the supplementary benefit amount, the insured's sex, issue age, attained age, smoking habit and risk class. The premium payment frequency of the supplementary benefit will follow that of the basic premium.

A premium charge of 100% of premium for supplementary benefit will be deducted from the premium paid for the first year starting from the effective date of the supplementary benefit. Premium paid for the second year onwards will be used by the Company to allocate notional units of investment options to the policy in accordance with your investment option allocation instruction and will then be subject to other relevant Policy Charges as set out in the section **Schedule of fees and charges** on page 11.

If a claim is made under any specified supplementary benefit (a list of specified supplementary benefits is available upon request), the basic sum insured of your **Orion** policy will be reduced by the claim amount paid under the specified supplementary benefit. If the basic sum insured of your **Orion** policy is reduced to zero, the **Orion** policy will terminate. Please refer to the section **Termination** on page 4 for details of payment upon termination of the Orion policy.

Please contact your financial consultant for the details of the supplementary benefits available.



Schedule of fees and charges

The current charges of **Orion** are as follows:

Policy Charges

The premium charge will be deducted up-front from each premium payment. The balance will be used by the Company to allocate notional units of investment options to the policy in accordance with the investment options you select.

Under the following circumstances, the premium charge for regular premium will be deducted from the Account Value by cancelling units of the investment options at the Bid Price in proportion to the value of the units of the respective investment options held by the policy owner under the policy:

- If regular premium remains outstanding and your policy is not on a premium holiday, the premium charge will be deducted from the Account Value on the 16th of the month following the next month after the due date for the payment of regular premium.
- If your policy is on a premium holiday, the premium charge will be deducted from the Account Value on the same day as the Policy Date in each month or every 6 months or every 12 months (as the case may be) during the premium holiday depending on the payment frequency of your policy.

For basic premium*

Policy year starting from the Policy Date	Applicable premium charge rate (as a percentage of the prevailing basic premium)
1 st year	100%
2 nd year	20%
3 rd year	10%
4 th year onwards	5%

* excluding any increases in basic premium due to special increase endorsement

For top-up premium and lump sum premium, if any

Premium Charge

Applicable premium charge rate (as a percentage of top-up premium and lump sum premium)	5%
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For each subsequent increase in basic premium and top-up premium due to special increase endorsement, if applicable

Year starting from the effective date of the special increase	Applicable premium charge rate (as a percentage of increase in the following)	
	Basic premium	Top-up premium
1 st year	100%	5%
2 nd year	20%	5%
3 rd year	10%	5%
4 th year onwards	5%	5%

Please note that the premium charge rate varies according to different premium types. Because of this premium charge, the remaining amount of the basic premium paid available for investment will be 0% of the basic premium paid for the first policy year (and the first year of each subsequent increase in basic premium due to special increase endorsement) and will remain low in the early policy years (and the early years of each subsequent increase in basic premium due to special increase endorsement).

The premium charge for the above premium types is payable until the policy is terminated, or the date before the Policy Anniversary which falls on or immediately after the date on which the insured attains the age of 100, whichever is earlier.

Please refer to the **Illustrative example for the calculation of premium charge with special increase endorsement** on page 14 for details.

Premium Charge	For premium for supplementary benefit, if any**																																																									
	Year starting from the effective date of the supplementary benefit		Applicable premium charge rate (as a percentage of the premium for supplementary benefit)																																																							
	1 st year		100%																																																							
	2 nd year onwards		0%																																																							
	** excluding any increases in premium for supplementary benefit due to special increase endorsement																																																									
Premium Charge	For each subsequent increase in premium for supplementary benefit due to special increase endorsement, if applicable																																																									
	Year starting from the effective date of the special increase		Applicable premium charge rate (as a percentage of increase in the premium for supplementary benefit)																																																							
	1 st year		100%																																																							
	2 nd year onwards		0%																																																							
Insurance Charge	The insurance charge will be deducted from the Account Value on the date of policy issuance and on the same day as the Policy Date in each subsequent month by cancelling units of the investment options at the Bid Price in proportion to the value of the units of the respective investment options held by the policy owner during the payment term of the insurance charge.																																																									
	For death benefit of Orion																																																									
	The monthly insurance charge is (i) the insurance charge rate per annum divided by 12, then (ii) multiplied by the net amount at risk:																																																									
	<ul style="list-style-type: none">For level death benefit option, the net amount at risk is basic sum insured (including all increases in the basic sum insured due to increase in the basic premium as a result of special increase endorsement) less Account Value of the policy as at the due date for the payment of the insurance charge. If the net amount at risk is zero or less than zero, there is no insurance charge for that month.For increasing death benefit option, the net amount at risk equals the basic sum insured (including all increases in the basic sum insured due to increase in the basic premium as a result of special increase endorsement).																																																									
	Insurance charge is waived during the first year starting from:																																																									
	<ul style="list-style-type: none">for basic sum insured: the Policy Datefor each subsequent increase in basic sum insured due to increase in the basic premium as a result of special increase endorsement: the effective date of the special increase.																																																									
	The table below sets out some indicative insurance charge rates per annum. These are for illustration purposes only and may vary during the payment term of the insurance charge. Please contact the Company for confirmation of the current insurance charge rates applicable to the policy.																																																									
	<table><tr><th rowspan="3">Attained age of the insured</th><th colspan="4">Insurance charge rate* per annum</th></tr><tr><th colspan="2">Non-smoking</th><th colspan="2">Smoking</th></tr><tr><th>Male</th><th>Female</th><th>Male</th><th>Female</th></tr><tr><td>30</td><td>0.080%</td><td>0.054%</td><td>0.122%</td><td>0.096%</td></tr><tr><td>40</td><td>0.145%</td><td>0.110%</td><td>0.239%</td><td>0.188%</td></tr><tr><td>50</td><td>0.292%</td><td>0.217%</td><td>0.508%</td><td>0.384%</td></tr><tr><td>60</td><td>0.783%</td><td>0.539%</td><td>1.372%</td><td>1.001%</td></tr><tr><td>70^</td><td>2.388%</td><td>1.501%</td><td>4.177%</td><td>2.906%</td></tr><tr><td>80^</td><td>5.399%</td><td>3.927%</td><td>10.228%</td><td>7.121%</td></tr><tr><td>90^</td><td>13.805%</td><td>11.970%</td><td>26.228%</td><td>23.751%</td></tr><tr><td>99^</td><td>30.114%</td><td>28.245%</td><td>57.217%</td><td>56.725%</td></tr></table>					Attained age of the insured	Insurance charge rate* per annum				Non-smoking		Smoking		Male	Female	Male	Female	30	0.080%	0.054%	0.122%	0.096%	40	0.145%	0.110%	0.239%	0.188%	50	0.292%	0.217%	0.508%	0.384%	60	0.783%	0.539%	1.372%	1.001%	70^	2.388%	1.501%	4.177%	2.906%	80^	5.399%	3.927%	10.228%	7.121%	90^	13.805%	11.970%	26.228%	23.751%	99^	30.114%	28.245%	57.217%	56.725%
	Attained age of the insured	Insurance charge rate* per annum																																																								
		Non-smoking		Smoking																																																						
		Male	Female	Male	Female																																																					
	30	0.080%	0.054%	0.122%	0.096%																																																					
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	50	0.292%	0.217%	0.508%	0.384%																																																					
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90^	13.805%	11.970%	26.228%	23.751%																																																						
99^	30.114%	28.245%	57.217%	56.725%																																																						
* Data as of April 2012. The Company determines the insurance charge rate from time to time during the payment term of the insurance charge based on the insured's attained age, sex, smoking habit and risk class.																																																										
^ Please note that insurance charge may become significant as the attained age of the insured increases. The insurance charge rates are made available by the Company upon request.																																																										
The insurance charge may increase significantly during the payment term of the insurance charge due to factors such as the insured's attained age, investment loss, etc. This may result in a significant or even total loss of your premiums paid.																																																										
The insurance charge is payable until the policy is terminated, or the date before the Policy Anniversary which falls on or immediately after the date on which the insured attains the age of 100, whichever is earlier.																																																										
Please refer to the Illustrative examples for the calculation of the insurance charge on page 9 and the Illustrative example for the insurance charge with special increase endorsement on page 15 for details.																																																										

Insurance Charge	<p>For supplementary benefit, if any</p> <p>For any attached supplementary benefit, the monthly insurance charge shall be equal to the annual premium for supplementary benefit (including all increases in the premium for supplementary benefit as a result of special increase endorsement) divided by 12.</p> <p>The amount of premium for supplementary benefit varies depending on factors such as the type of supplementary benefit you selected, the supplementary benefit amount, the insured's sex, issue age, attained age, smoking habit and risk class.</p> <p>Insurance charge is waived during the first year starting from:</p> <ul style="list-style-type: none"> • for any supplementary benefit: the effective date of such supplementary benefit • for each subsequent increase in supplementary benefit amount due to increase in the premium for supplementary benefit as a result of special increase endorsement: the effective date of the special increase. <p>For any attached supplementary benefit, the insurance charge is payable until the policy or that supplementary benefit is terminated, or the end of the premium payment term of that supplementary benefit, whichever is earlier.</p>
Administration Charge	<p>The monthly administration charge is MOP32 / USD4 but is waived during the first policy year.</p> <p>The administration charge will be deducted from the Account Value on the date of policy issuance and on the same day as the Policy Date in each subsequent month by cancelling units of the investment options at the Bid Price in proportion to the value of the units of the respective investment options held by the policy owner while the policy is in effect.</p>
Investment Management Fee	<p>The monthly investment management fee is 0.1% (an annual rate of 1.2% divided by 12) of the Account Value of the policy as at the due date for the payment of the investment management fee. It is waived during the first policy year.</p> <p>The investment management fee will be deducted from the Account Value on the date of policy issuance and on the same day as the Policy Date in each subsequent month by cancelling units of the investment options at the Bid Price in proportion to the value of the units of the respective investment options held by the policy owner while the policy is in effect.</p>
Bid-offer Spread	<p>The Bid-offer Spread is currently waived. We reserve the right to impose a Bid-offer Spread of up to 1% of the Bid Price.</p>
Switching Fee	<p>The Switching Fee is currently waived. We reserve the right to impose a Switching Fee of up to 1% of the amount to be switched out in future.</p>
Charges on reference funds	
Fund Management Charge	<p>The fund management charge for the reference funds is calculated based on the respective net asset value of the reference funds. The charge is determined by the investment manager of each reference fund and is set out in the offering documents of the reference funds, which are made available by the Company upon request. Such charge is reflected in the unit prices of the reference funds and varies from one reference fund to another. You may refer to the Investment Options Leaflet for a summary of the fund management charge for the reference funds.</p>
Other Charges	<p>The reference funds are subject to the fees and charges levied by investment managers and other service providers of the reference funds and the expenses of the reference funds, as set out in the offering documents of the reference funds. Such fees, charges and expenses will vary from one reference fund to another. Copies of the offering documents of the reference funds are made available by the Company upon request.</p>

If the Account Value of your **Orion** policy becomes insufficient to cover all the ongoing fees and charges, including the insurance charge, your policy may be terminated early and you could lose all your premiums paid and benefits. You should consult your financial consultant for details, such as how the fees and charges may increase and could impact the Account Value of your **Orion** policy.

Change of Charges

The Company reserves the right to vary the Policy Charges or impose new charges with not less than one month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

This example is hypothetical and for illustrative purpose only.

Basic premium at policy issuance/ Increase in basic premium (due to special increase endorsement)		Applicable premium charge rate (Policy year starting from the Policy Date/Year starting from the effective date of the special increase)	Premium charge	Basic premium paid available for investment (after deduction of premium charge)
1st policy year				
Basic premium	MOP2,000	100% (1 st year)	MOP2,000 x 100% = MOP2,000	MOP0
2nd policy year				
Basic premium	MOP2,000	20% (2 nd year)	MOP2,000 x 20% = MOP400	MOP1,600
1 st special increase	5% x MOP2,000 = MOP100	100% (1 st year)	MOP100 x 100% = MOP100	MOP0
3rd policy year				
Basic premium	MOP2,000	10% (3 rd year)	MOP2,000 x 10% = MOP200	MOP1,800
1 st special increase	5% x MOP2,000 = MOP100	20% (2 nd year)	MOP100 x 20% = MOP20	MOP80
2 nd special increase	5% x (MOP2,000 + MOP100) = MOP105	100% (1 st year)	MOP105 x 100% = MOP105	MOP0



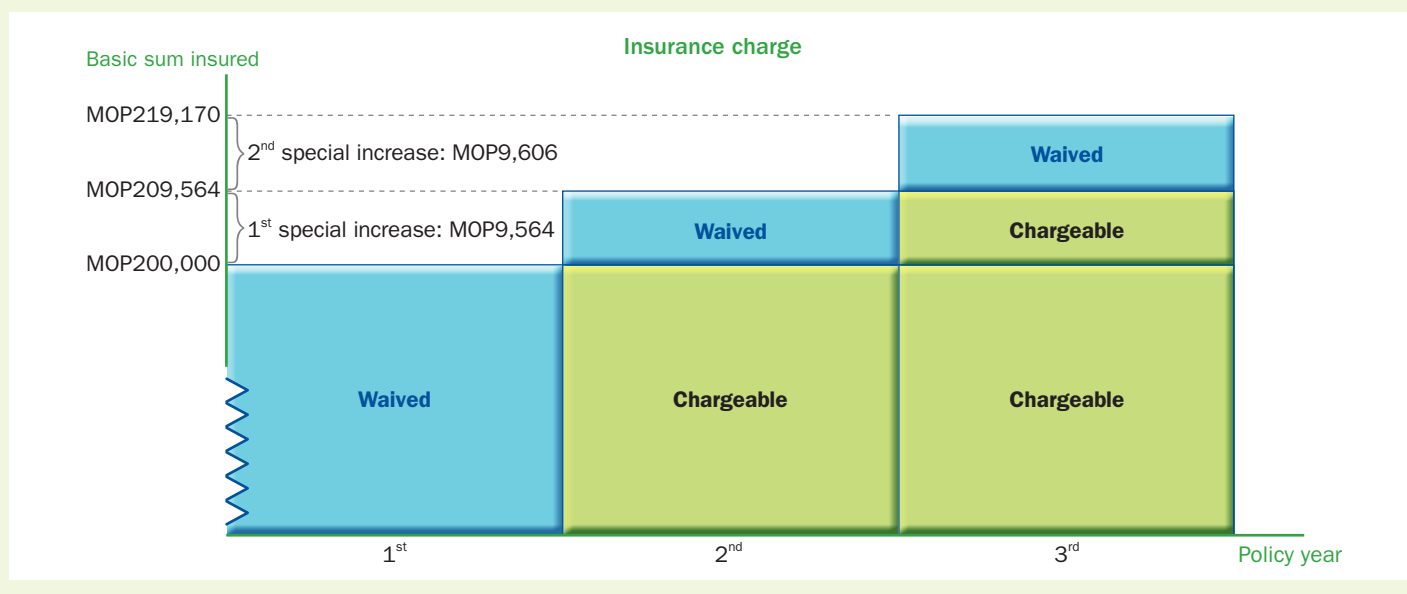
Illustrative example for the insurance charge with special increase endorsement:

This example is hypothetical and for illustrative purpose only.

Insurance charge	= Applicable insurance charge rate x net amount at risk
Insurance charge is waived during the first year starting from:	
<ul style="list-style-type: none"> for basic sum insured: the Policy Date for each subsequent increase in basic sum insured due to increase in the basic premium as a result of special increase endorsement: the effective date of such special increase 	
At policy issuance	
Basic sum insured	MOP200,000
Top-up premium/lump sum premium	MOP0
The policy owner has chosen the increasing death benefit option under which:	
Net amount at risk	= basic sum insured (including all increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement)
Apart from the increase in basic sum insured due to increase in the basic premium as a result of special increase endorsement as set out below, there is no supplementary benefit attached to the policy, no application to increase or reduce the basic sum insured, or to pay top-up premium or lump sum premium since policy issuance.	
Assuming increases in basic sum insured due to increase in the basic premium as a result of special increase endorsement as follows:	
1 st special increase	MOP9,564
2 nd special increase	MOP9,606

Basic sum insured at policy issuance/ Increase in basic sum insured (due to increase in the basic premium as a result of special increase endorsement)		Net amount at risk	Insurance charge (Policy year starting from the Policy Date/Year starting from the effective date of the special increase)
1st policy year			
Basic sum insured	MOP200,000	MOP200,000	Waived (1 st year)
2nd policy year			
Basic sum insured	MOP200,000	MOP200,000	Chargeable (2 nd year)
1 st special increase	MOP9,564	MOP9,564	Waived (1 st year)
3rd policy year			
Basic sum insured	MOP200,000	MOP200,000	Chargeable (3 rd year)
1 st special increase	MOP9,564	MOP9,564	Chargeable (2 nd year)
2 nd special increase	MOP9,606	MOP9,606	Waived (1 st year)

If the level death benefit option is chosen, the corresponding net amount at risk in each case will be the basic sum insured (including all increases in the basic sum insured due to increase in the basic premium as a result of special increase endorsement) less the prevailing Account Value.





General information

Application

Orion is available to proposed insured from 14 days old up to age 70 years old (based on age last birthday) and we will accept premium up to age 100 (based on age last birthday) of the insured. Application for a proposed insured under age 18 may be made by his or her parent or guardian.

To apply for **Orion**, simply complete and return the application form to us with the premium required.

The Company reserves the right to decline any application for **Orion** if the information provided by the proposed insured and/or the proposed policy owner during application is insufficient or does not meet our underwriting requirements.

Premium

Premiums are to be paid at the place designated from time to time by the Company in MOP or the policy currency specified in the policy contract, subject to the prevailing exchange rate as determined by the Company from time to time with reference to prevailing market rate. Please contact the Company or your financial consultant for the available methods of payment as determined by the Company from time to time.

Account Value

The Account Value of your policy is the sum of the value of your units in each investment option you select. The value of your units in each investment option is determined by multiplying the number of your units by the latest available Bid Price of each unit of such investment option. Please contact us or visit www.axa.com.hk for information of unit prices.

Your return on investments is calculated by the Company with reference to the performance of the reference funds which correspond to the investment options selected by you. Such return will be subject to the fees and charges of **Orion** and may be lower than the return of the reference funds. The investment options available under **Orion** can have very different features and risk profiles. Some may be of high risk. Please note that any investment loss will adversely affect the Account Value of your **Orion** policy.

Cooling-off Period

If you are not completely satisfied with your **Orion** policy, you have the right to cancel the policy and obtain a refund of any premium(s) paid less any market value adjustment (if applicable) provided that there is no claim payment made under the policy prior to your request for cancellation. Market value adjustment is calculated solely with reference to the loss in realising the value of any assets acquired through investment of the premiums under the policy. This means that you may not get back the full amount of your premium(s) paid if the value of the investment options chosen has gone down.

To exercise this right, please return the policy (if applicable) and send your signed written notice of cancellation directly to our Customer Service at Avenida do Infante D. Henrique No.43-53A, 20 Andar, The Macau Square, Macau within **21 calendar days** immediately following the day of delivery of the policy to you or your nominated representative. The policy will then be cancelled and a refund of any premium(s) paid less any market value adjustment will be returned to you. Unless otherwise specified, the refund would be paid to you in policy currency. Please refer to the cooling off initiative issued by the Monetary Authority of Macao (the "AMCM") from time to time for reference.

Grace Period

If the Account Value is insufficient to cover the relevant Policy Charges due, you are allowed a 31-day grace period after the due date for the payment of the relevant Policy Charges. The policy will continue to be in effect during the grace period. If the Account Value is insufficient to cover the relevant Policy Charges due after the expiry of the grace period, the policy will terminate.

Please refer to the section **Schedule of fees and charges** on page 11 for details of the relevant Policy Charges.

Amounts payable by the Company

All amounts payable by the Company under the policy are payable in the policy currency or in any other currency at the sole discretion of the Company at the Company's registered office in Macau or at any other place designated by the Company.

Any amounts payable by the Company under the policy may first be applied to repay any outstanding charges and interests thereon under the policy and/or supplementary benefit at the discretion of the Company.

Reinstatement

You may request to reinstate your policy within 5 years since your policy ceases to be in effect other than as a result of surrender. To reinstate the policy, you will need to submit to us a written application with satisfactory proof of insurability of the insured and pay regular premium and relevant Policy Charges due as determined by the Company.

Policy Maturity

Your **Orion** policy is a whole life policy and has no maturity date. The policy will remain effective until the death of the insured if not terminated by other reasons specified in the section **Termination**.

Borrowing Power

Orion has no borrowing powers. For details of the borrowing powers of the reference funds, please refer to the offering documents of the reference funds.

Valuation and Unit Pricing of an Investment Option

• Unit Allocation

Notional units relating to an investment option will be allocated to the policy at the Offer Price of the investment option. Notional units of investment options will be allocated on the relevant Dealing Day as soon as practicable following the date of receipt of the premium at the Company's office in cleared funds.

Fractions of less than one-tenth thousandth of a unit of an investment option will not be allocated to the policy. Any remaining balance after such rounding will be absorbed by the Company.

• Unit Cancellation

Units relating to an investment option will be cancelled from the policy at the Bid Price of the investment option. Units of investment options will be cancelled on the relevant Dealing Day as soon as practicable following the date on which we approve the relevant application at the Company's office.

Fractions of less than one-tenth thousandth of a unit of an investment option will not be cancelled from the policy. Any remaining balance after such rounding will be absorbed by the Company.

• Calculation of Account Value

The Account Value of the policy will be calculated using the Bid Prices of units of the investment option(s) and will be rounded down to two decimal places. Any remaining balance after such rounding will be absorbed by the Company.

• Determination of Unit Prices of Investment Options

Unit prices of an investment option are generally determined on a business day, which means a day (other than Saturday) on which banks in Hong Kong are open for normal banking business, provided that if such business day is not a valuation date of the reference fund(s) of the investment option, unit prices of the investment option are not determined on such day.

The unit prices of investment options are determined by reference to those of the reference fund(s) as determined by the respective investment manager(s) of the reference fund(s) and will not be rounded by the Company. In case of any change of the practice, we will give you one month's prior written notice. In cases beyond our control, such as where changes are stipulated by investment managers or the relevant regulator of the reference funds, we will give you notice according to the regulatory requirements.

You should refer to the offering documents of the reference funds for details of the calculation of unit prices of such reference funds and the fees and charges (if any) levied on the acquisition or cancellation of units of the reference funds. Copies of the offering documents are made available by the Company upon request.

• Suspension and Deferral of Dealings of Investment Options

The Company may at its sole discretion suspend the valuation of the units relating to an investment option and/or the allocation of such units to your policy and/or the cancellation of such units from the policy for the whole or any part of any period during which:

- (i) valuation of or dealings in the relevant reference fund are suspended; or
- (ii) circumstances exist as a result of which, in the opinion of the Company, it is not reasonably practicable to realise any investment or assets held by the Company relating to the investment option; or
- (iii) the remittance or repatriation of funds/proceeds which may be involved in the acquisition/realisation of any investment or assets or the allocation/cancellation of units of the investment option is delayed or, in the opinion of the Company, cannot be carried out promptly at reasonable prices or reasonable rates of exchange.

• Limitation on Dealings of Investment Options

The Company may also at its absolute discretion limit the number of units of an investment option cancelled on any Dealing Day to 10% of the aggregate number of outstanding units of the investment option on such Dealing Day (disregarding any units of investment options which are to be acquired on such Dealing Day). In such case, the limitation will apply pro rata so that owners of policies to which notional units of an investment option have been allocated who wish to have their units of the investment option cancelled on that Dealing Day will have the same proportion of such units cancelled. Units of the investment option not cancelled will be carried forward for cancellation subject to the same limitation on the next Dealing Day.

Where the valuation of the units relating to an investment option is suspended or the Company exercises its discretion to limit the number of units of an investment option to be cancelled as described above, investment option allocation, investment option switching and payment on a partial withdrawal, surrender or death will be suspended or deferred. Please also refer to the section **Addition/Closure/Termination/Merger of Investment Options** as set out on page 6 for more information.

Governing Law and Jurisdiction

The policy is issued under and will be construed in accordance with the laws of Macau. The policy will be subject to the non-exclusive jurisdiction of the Macau courts.

Taxation

Taxation consequences of investing in the policy depend on the applicable tax laws of your particular situation. You are recommended to seek professional advice about your particular taxation consequences.

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 Macau have signed an inter-governmental agreement (“IGA”) to facilitate compliance by FFIs in Macau with FATCA and which creates a framework for Macau 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 the Company and the **Orion** policy. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company 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 the Company 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”), the Company is required to report “aggregate information” of account balances, payment amounts and number of non-consenting US accounts to IRS.

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

- (i) if Macau Government fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Macau and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS.

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

Automatic Exchange of Financial Account Information (“AEOI”)

The Law No. 5/2017 Legal Regime for the Exchange of Tax Information (the “Macau Law”) came into force in 2017 which marks the implementation of AEOI in Macau. Under the AEOI standard, relevant financial institutions (“reporting FIs”) in Macau, including insurance companies, are required to collect certain information of their non-Macau tax resident account holders, and submit such information to the Finance Services Bureau of Macau. The Finance Services Bureau of Macau will then exchange such information with the jurisdiction of that account holder’s tax residency provided that such jurisdiction(s) have already had an AEOI agreement with Macau (i.e. “reportable jurisdictions”).

The Company is the reporting FI under the Macau Law and obliged to:

- (i) conduct due diligence on policy owners, beneficiaries and controlling persons of a passive non-financial entity to identify whether any such accounts are considered “Reportable Accounts” for AEOI purposes; and
- (ii) report to the Finance Services Bureau of Macau information on such Reportable Accounts.

Under the Macau Law, details of Reportable Accounts, including but not limited to name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income may be reported to the Finance Services Bureau of Macau and subsequently exchanged with the reportable jurisdictions.

The Finance Services Bureau of Macau is expected on an annual basis to transmit the information reported to it to the reportable jurisdictions. Broadly, AEOI contemplates that reporting FIs should report on:

- (i) individuals or entities that are tax resident in reportable jurisdictions; and
- (ii) certain entities controlled by individuals who are tax resident in reportable jurisdictions.

By applying for the plan and/or continuing to hold the plan, you acknowledge and agree that you may be required to provide information to us to enable us to comply with AEOI. Your information may be communicated by the Finance Services Bureau of Macau to authorities in other jurisdictions.

You should also notify us of any change in circumstance which (i) affects your tax residency status or (ii) causes the information provided under previously submitted self-certification form to become incorrect, and provide us with a suitably updated self-certification form within 30 days of such change in circumstances. If you fail to notify us of any such change or fail to provide such updated self certification form, we shall treat you as resident in the jurisdiction identified in the original self certification form. If we know or have reasons to know that there are changes in circumstances affecting the correctness of the self-certification form provided, we shall treat you as resident in the jurisdiction identified in the original self-certification and also as resident in the jurisdiction indicated by the change of circumstances in accordance with applicable laws and regulations.

You should consult your own professional advisor(s) on the administrative and substantive implications of AEOI on your application for and/or continued holding of the plan.

Investment Risks

Investment involves risks, including fluctuation of market price of investment. The value of the investments and their yield may go down as well as up as a consequence of the general nature of various investments. Past performance is not indicative of future performance. It is important for you to know your risk tolerance level and the level of risks associated with your investment before making any investment decisions.

You are strongly recommended to read the offering documents of the respective reference funds carefully for the risks associated with the investment. Copies of the offering documents of the reference funds are made available by the Company upon request.

Enquiries and Complaints

For any enquiries and complaints in relation to this product or our services, or if you wish to obtain a copy of the policy document of **Orion** (for which a reasonable price as determined from time to time by the Company may be imposed), please contact us by telephone (853) 8799 2812, fax (853) 2878 0022, or email ma.enquiry@axa.com.mo. You can also contact us in person or by mail at Avenida do Infante D. Henrique No.43-53A, 20 Andar, The Macau Square, Macau or visit our website www.axa.com.mo.



Glossary

Account Value: The Account Value of your policy is the sum of the value of your units in each investment option you select. The value of your units in each investment option is determined by multiplying the number of your units by the latest available Bid Price of each unit of such investment option.

Bid Price: The Bid Price of a unit of an investment option on a Dealing Day is the value associated with a notional unit of the investment option on that Dealing Day, based on which the Account Value or proceeds of cancellation of the unit shall be calculated. The Bid Price of a unit of an investment option will be equal to the bid price or, if there is no bid price, the net asset value of the unit, share or other interest of its reference fund. The Bid Price will not be rounded.

Dealing Day: A Dealing Day of an investment option is a day on which notional units of that investment option may be allocated to or cancelled from your policy.

Minimum Account Balance: The Minimum Account Balance is maintained for the purpose of determining if a partial withdrawal can be made without terminating the policy and such amount is determined by the Company from time to time, the details of which are set out in the section **Partial Withdrawal**.

Offer Price: The Offer Price of a unit of an investment option on a Dealing Day is the value associated with a notional unit of the investment option on that Dealing Day, based on which such notional unit is allocated to your policy. The Offer Price of a unit of an investment option shall be equal to the Bid Price multiplied by the sum of one and the Bid-offer Spread. The Offer Price will not be rounded.

Policy Anniversary: The Policy Anniversary means the same day and month each year as the Policy Date.

Policy Charges: The Policy Charges are fees and charges imposed by the Company in respect of your policy as determined in accordance with the section **Schedule of fees and charges**.

Policy Date: The Policy Date is the month, day and year your policy takes effect and is shown in the policy contract.

Surrender Value: The Surrender Value is the Account Value after deduction of any outstanding Policy Charges, the details of which are set out in the section **Surrender**.

Parties involved

Insurance Company

AXA CHINA REGION INSURANCE COMPANY (BERMUDA) LIMITED
(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)
Macau Office
Avenida do Infante D. Henrique No.43-53A
20 Andar, The Macau Square
Macau

Investment Managers/Advisers of Reference Funds

For information on the investment managers/advisers of the reference funds, please refer to the offering documents of the reference funds which are made available by the Company upon request.

AXA China Region Insurance Company (Bermuda) Limited accepts full responsibility for the accuracy of the information shown in the Principal Brochure, including this Product Brochure, the Investment Options Leaflet and the Product Key Facts Statement at the date of its publication. We also confirm, 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.

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