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Investment-linked insurance  
Signature III Investment Insurance Plan



Product brochure





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The Principal Brochure of Signature III Investment Insurance Plan (“**Signature III**”) 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

- **Signature III is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited (the “Company” or “we”). Your investments and insurance protection are subject to the credit risks of the Company.**
- **The value of your Signature III policy is calculated by the Company based on the performance of your selected investment options (linked to the corresponding reference funds). The return under your Signature III policy is subject to various fees and charges levied by the Company and will be lower than the return of the corresponding reference funds.**
- **The investment options available under Signature III can have very different features and risk profiles. Some may be of high risk.**
- **All premiums you pay towards your Signature III policy and any investments made by the Company in the reference funds 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.**
- **Return of your Signature III policy is contingent upon the performance of the reference funds corresponding to the investment options you selected and therefore there is a risk of capital loss.**
- **Insurance charge levied under Signature III will reduce the amount that will be applied towards investment by the Company. Insurance charge may increase significantly during the term of your Signature III policy due to factors such as the insured’s attained age, investment losses, etc.**
- **If the Account Value of your Signature III policy becomes insufficient to cover all the relevant Policy Charges due (including the insurance charge) after the expiry of the 31-day grace period, your policy will terminate early and you could lose all your premiums paid and benefits. You should consult your financial consultant for details, such as how the Policy Charges may increase and could impact the Account Value of your Signature III policy.**
- **Partial withdrawal from the policy, which may be subject to an early encashment charge, may significantly reduce the value of your Signature III policy and accordingly the death benefit and the loyalty bonus, while all fees and charges are still deductible. Poor performance of the reference funds may further magnify your investment losses.**
- **The investment returns of your Signature III policy may be subject to foreign exchange risks as (i) the reference fund(s) may be denominated in a currency which is different from that of your policy; and (ii) the reference fund(s) may be invested in assets denominated in currency(ies) which is different from that of the reference fund(s).**

### IMPORTANT INFORMATION (CONT'D)

- Each of the investment options marked as “Dividend Distribution” in the column of “Dividend Distribution” in the Investment Options Leaflet (each “Dividend Distribution Investment Option” or collectively the “Dividend Distribution Investment Options”) is an investment option that is linked to the share class of the corresponding reference fund which aims to pay dividend regularly. If the reference fund of the Dividend Distribution Investment Option you choose declares any dividend, you may be entitled to dividend payout in cash or units of the Dividend Distribution Investment Option. However, you should be aware of the following.
  - The distribution of dividend of the corresponding reference fund, the dividend rate and the dividend amount are not guaranteed and are subject to the discretion of the reference fund. Past distribution records are not indicative of future distribution.
  - The reference fund may at its discretion pay dividend out of the capital of the reference fund. The reference fund may also at its discretion pay dividend out of gross income while charging / paying all or part of the reference fund’s fees and expenses to / out of the capital of the reference fund, resulting in an increase in distributable income for the payment of dividends by the reference fund and therefore, the reference fund may effectively pay dividend out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of your original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the reference fund’s capital or payment of dividends effectively out of the reference fund’s capital (as the case may be) may result in an immediate reduction of the net asset value per unit of the reference fund and hence the unit price of the investment option.
  - By receiving the dividend payout in cash as opposed to receiving it in notional units of the Dividend Distribution Investment Option, the Account Value will be lower and it (i) will therefore lead to a reduction in the loyalty bonus; (ii) may reduce the proceeds from death claim; and (iii) will lead to policy termination when the Account Value is insufficient to cover the relevant Policy Charges due after the expiry of the 31-day grace period.
  - You should not choose Dividend Distribution Investment Options unless you understand them and they have been explained to you how they are suitable for you.
- 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 Signature III and the offering documents of the reference funds, which are made available by the Company.

Please refer to the section **Glossary** as set out on page 20 for definitions of various defined terms.

**Signature III** is an investment-linked assurance scheme under Class C linked long-term business in accordance with the Insurance Ordinance. The plan is an insurance policy issued by the Company as an authorised insurance company in the Hong Kong Special Administrative Region (“Hong Kong”) in accordance with the Insurance Ordinance.





## Begin your investment journey with just a single premium payment

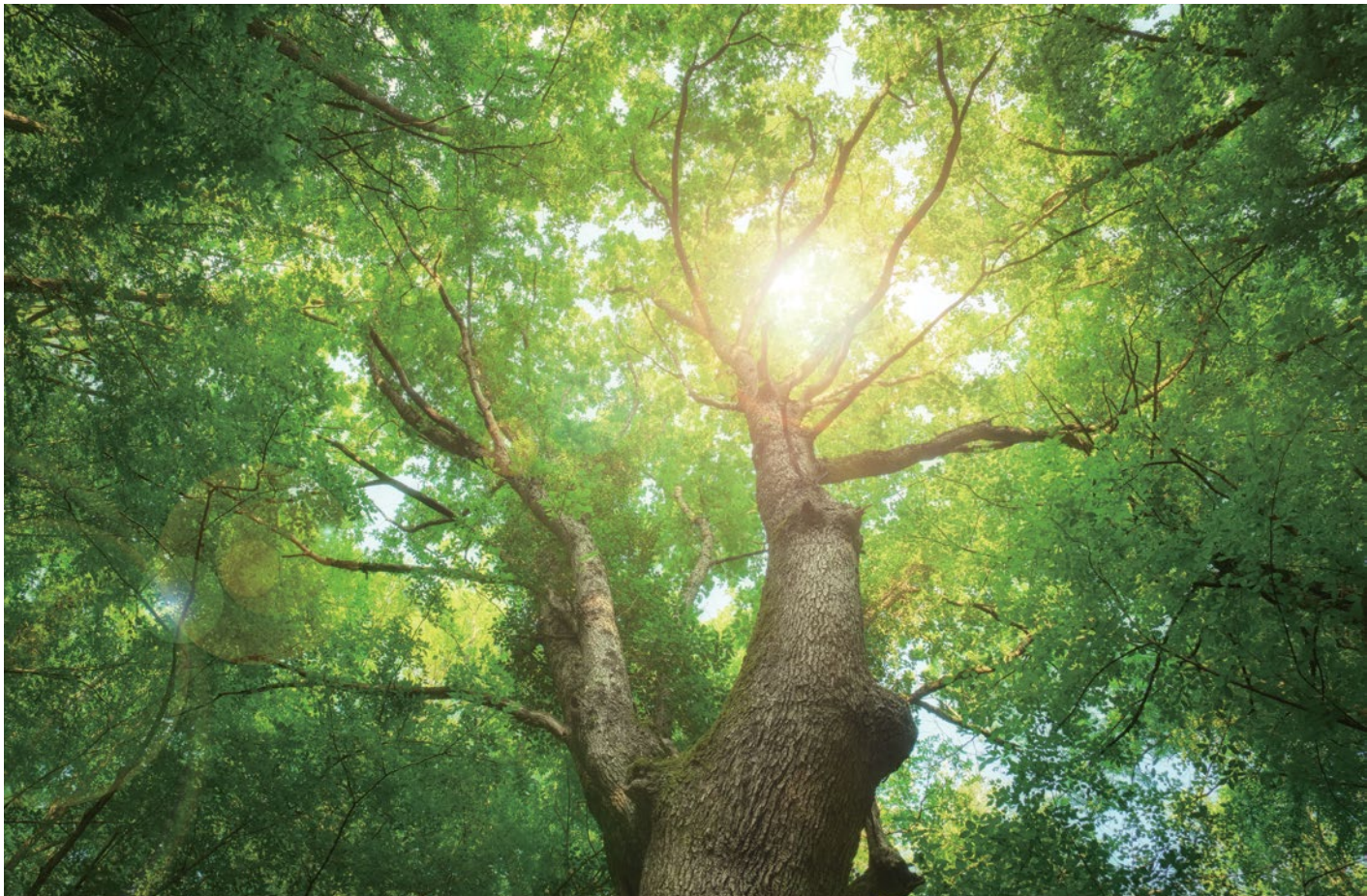
### Single premium

You can apply for a **Signature III** policy for investing by paying a single premium. No additional premium will be accepted after policy issuance. If you want to pay additional premium subsequent to policy issuance, you can apply for another **Signature III** policy.

**Signature III** is available in Hong Kong dollar (“HKD”), US dollar (“USD”), Euro (“EUR”), Pound Sterling (“GBP”) and Renminbi (“RMB”). Once the policy currency is determined upon policy issuance, it cannot be changed afterwards.

The minimum amount of single premium at current level is HKD96,000 / USD12,000 / EUR12,000 / GBP7,680 / RMB78,000. Your application for **Signature III** (including the maximum amount of single premium for your policy) is subject to underwriting requirements.

There is no upfront premium charge for your single premium. After our receipt of the single premium you pay and the issuance of your **Signature III** policy, the single premium 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 **Premium allocation to investment options** as set out on page 15 for details. However, your policy will be subject to the relevant Policy Charges as set out in the section **Schedule of fees and charges** on page 11.





## Protect your loved ones and safeguard their future

### Life protection

**Signature III** provides a death benefit if the death of the insured occurs while the policy is in effect. It is equal to:

- (i) 105% of the Account Value; or
- (ii) the amount of single premium that you have paid under the policy less the aggregate amount of all partial withdrawals made by you (if any),

whichever is higher.

Any outstanding Policy Charges will be deducted from the death benefit payable to the beneficiary(ies).

### Suicide exclusion

While the policy is in effect, if the insured of your **Signature III** policy commits suicide within one year from the Policy Date, the death benefit described above will not be payable. In such a case, the amount of death proceeds payable to the beneficiary(ies) shall be equal to the Account Value plus the total Policy Charges paid by you in respect of the policy since the Policy Date.

As part of the death benefit is linked to the performance of the investment options you selected from time to time, the death benefit is subject to investment risks and market fluctuations. The death benefit payable may not be sufficient for your individual needs.

### Proceeds from death claim

We will process a death claim within 2 Business Days following the date of our receipt and acceptance of the satisfactory proof of the validity of the death claim by the claimant.

All the notional units of the investment option(s) under the policy will be cancelled at their respective Bid Price(s) on the Dealing Day of the relevant investment option(s) immediately following the day we have processed the death claim. If there is any Pending Transaction, the processing of the death claim and the cancellation of notional units may be deferred until after such transaction is completed.

The proceeds from the death claim will be paid within 30 Business Days from the date we have processed the death claim. The Company may defer the payment due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the payment will be made as soon as practicable after the cessation of such circumstance(s).

If the death benefit is not paid within 60 days from the date the notional units of the investment options are cancelled from your policy, we will pay interest on the death benefit from the date the notional units of the investment options are cancelled at a rate as the Company may decide at its discretion with reference to the prevailing market interest rate.

In the case of suicide of the insured within one year from the Policy Date, the amount of death proceeds will be payable without interest.

### Insurance charge

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 and risk class. The net amount at risk is the higher of (1) 5% of the Account Value; and (2) single premium paid less the sum of (a) total partial withdrawals made (if any); and (b) 100% of the Account Value, as at the due date for the payment of the insurance charge. Please refer to the section **Schedule of fees and charges** on page 11 for details of the insurance charge.

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 **Signature III** policy will be used to cover the insurance charge for the life coverage.
- Insurance charge will reduce the amount that will be applied towards investment by the Company in the reference funds which correspond to the investment options you selected.
- Insurance charge may increase significantly during the term of your **Signature III** policy 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 **Signature III** policy becomes insufficient to cover all the relevant Policy Charges due (including the insurance charge) after the expiry of the 31-day grace period, your **Signature III** policy will terminate early and be subject to an early encashment charge (up to 6% of the Account Value) where the termination occurs within the first 5 policy years. You could lose all your premiums paid and benefits.
- You should consult your financial consultant for details, such as how the Policy Charges may increase and could impact the Account Value of your **Signature III** policy.



# Protect your loved ones and safeguard their future (cont'd)

### Illustrative example for the calculation of the insurance charge:

This example is hypothetical and for illustrative purpose only.

Insurance charge	= insurance charge rate x net amount at risk
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As at the due date for the payment of the insurance charge

Insurance charge rate for a male insured at the attained age of 50	0.534% <sup>♦</sup> per annum
Single premium paid	HKD1,000,000
Total partial withdrawals made	HKD100,000
Account Value	HKD800,000
Net amount at risk	= the higher of: (i) HKD800,000 x 5% = HKD40,000; and (ii) HKD1,000,000 – (HKD100,000 + HKD800,000) = HKD100,000 = HKD100,000

Insurance charge for the month	= 0.534% / 12 x HKD100,000 = <u>HKD44.5</u>
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<sup>♦</sup> The Company determines the insurance charge rate during the term of your Signature III policy with reference to the insured's attained age, sex 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 death benefit:

This example is hypothetical and for illustrative purpose only.

When the insured passed away

Single premium paid	HKD1,450,000
Total partial withdrawals made	HKD80,000
Account Value	HKD1,500,000

Death benefit	= (i) 105% of the Account Value; or (ii) the amount of single premium paid – the aggregate amount of all partial withdrawals made (if any), whichever is higher = (i) HKD1,500,000 x 105%; or (ii) HKD1,450,000 – HKD80,000, whichever is higher = (i) HKD1,575,000; or (ii) HKD1,370,000, whichever is higher = <u>HKD1,575,000</u>
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### Illustrative example for the calculation of the amount of death proceeds in the case of suicide within one year from the Policy Date:

This example is hypothetical and for illustrative purpose only.

The amount of death proceeds payable	= the Account Value + the total Policy Charges paid
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The policy terminated at the end of the 7<sup>th</sup> policy month when the insured committed suicide

Single premium paid	HKD1,000,000
Prevailing Account Value	HKD1,005,000
Total Policy Charges paid	HKD7,100

The amount of death proceeds payable	= HKD1,005,000 + HKD7,100 = <u>HKD1,012,100</u>
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## Access financial flexibility for your needs

### Partial withdrawal

You may have specific financial needs at different life stages. You may submit your written request to us in the manner prescribed by the Company to withdraw a portion of the Account Value from your **Signature III** policy to accommodate your financial needs at any time while the policy is in effect, subject to the following conditions:

- the minimum partial withdrawal amount is currently HKD4,000 / USD500 / EUR500 / GBP320 / RMB3,250 per withdrawal; and
- the remaining Account Value immediately after the partial withdrawal should not be less than the Minimum Account Balance which currently is HKD24,000 / USD3,000 / EUR3,000 / GBP1,920 / RMB19,500.

The minimum partial withdrawal amount and the amount of the Minimum Account Balance are determined by the Company at its sole discretion. The Company reserves the right to change the minimum partial withdrawal amount and the amount of the Minimum Account Balance in future by giving you one month's prior written notice.

**Prior to your application for a partial withdrawal, it is important for you to evaluate the Account Value to avoid policy termination due to low or zero Account Value.**

Your application for partial withdrawal will be declined if the remaining Account Value immediately after the partial withdrawal will fall below the Minimum Account Balance. If the Account Value subsequently drops below the Minimum Account Balance after the withdrawal due to market fluctuations but is still sufficient to cover the Policy Charges due, your policy will continue to be in effect.

We will process your partial withdrawal request on the same Business Day after receiving the duly completed form at the Company's office at or before 12:00 noon (Hong Kong time). If any request is received after 12:00 noon (Hong Kong time) on any Business Day, it will be deemed as having been received on the next Business Day.

The notional units of the investment option(s) which you have requested to withdraw under the policy will be cancelled at their respective Bid Price(s) on the Dealing Day of the relevant investment option(s) immediately following the day we have processed the partial withdrawal request. If there is any Pending Transaction, the processing of the partial withdrawal and the cancellation of notional units may be deferred until after such transaction is completed.

The partial withdrawal amount less any applicable early encashment charge will be paid within 14 Business Days from the date we have processed the partial withdrawal request. The Company may defer the payment due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the payment will be made as soon as practicable after the cessation of such circumstance(s).

You cannot deposit the withdrawn amount back into the policy after partial withdrawal.

**Partial withdrawal will be subject to an early encashment charge (up to 6% of the withdrawal amount) during the first 5 policy years, which may result in a significant or even total loss of principal.** Please refer to the section **Schedule of fees and charges** as set out on page 11 for details.

Please note that making a partial withdrawal will lead to a reduction in the Account Value and the proceeds from death claim. Reduction in the Account Value will further lead to a reduction in the loyalty bonus. Partial withdrawal will lead to termination of your policy, which will be subject to an early encashment charge (up to 6% of the Account Value) where the termination occurs during the first 5 policy years, if the Account Value is insufficient to cover the relevant Policy Charges due and the Policy Charges remain outstanding after the expiry of the 31-day grace period. As **Signature III** is a single premium policy, you may not pay additional premium to settle the outstanding Policy Charges. Please refer to the sections **Life protection** on page 4, **Loyalty bonus** on page 10 and **Termination** on page 7 for details.

### Surrender

**An early encashment charge is levied on the policy upon partial withdrawal, surrender or termination (other than as a result of the death of the insured) of the policy during the first 5 policy years. The earlier the partial withdrawal or the earlier the policy is surrendered or terminates (other than as a result of the death of the insured), the higher the applicable early encashment charge rate will be imposed.** Please refer to the section **Schedule of fees and charges** on page 11 for details.

You may surrender your policy to us in exchange for the Surrender Value of the policy subject to our receipt of your valid written application in the form specified by us which is available from the Company.

The Surrender Value of the policy is the Account Value less any outstanding Policy Charges, including for the avoidance of doubt any applicable early encashment charge (up to 6% of the Account Value).

We will process your policy surrender request on the next Business Day after receiving the duly completed form at the Company's office at or before 12:00 noon (Hong Kong time) on any Business Day. If any request is received after 12:00 noon (Hong Kong time) on any Business Day, it will be deemed as having been received on the next Business Day.





## Access financial flexibility for your needs (cont'd)

All the notional units of the investment option(s) under the policy will be cancelled at their respective Bid Price(s) on the Dealing Day of the relevant investment option(s) immediately following the day we have processed the policy surrender request. If there is any Pending Transaction, the processing of the policy surrender and the cancellation of notional units may be deferred until after such transaction is completed.

The Surrender Value will be paid within 14 Business Days from the date we have processed the policy surrender request. The Company may defer the payment due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the payment will be made as soon as practicable after the cessation of such circumstance(s). No interest is payable for the period between the date the notional units of the investment options are cancelled from your policy and the date of payment of the Surrender Value (both dates inclusive).

**Signature III is intended for clients who have a long-term investment horizon. Surrender of the policy in early years may result in a significant or even total loss of your principal and the bonuses.**

### Termination

The policy will automatically terminate upon the earliest occurrence of any of the following:

- 1. when the policy is surrendered; or
- 2. on the death of the insured; or
- 3. when the policy matures in accordance with the section **Policy maturity**; or
- 4. if the Account Value is insufficient to cover the relevant Policy Charges due after the expiry of the 31-day grace period.

In the event that your policy terminates under (1) or (4) above during the first 5 policy years, your policy will be subject to an early encashment charge (up to 6% of the Account Value).

On termination under (1) or (4) above, the Surrender Value of the policy will be paid to you. On termination under (2) above, the death benefit or the amount of death proceeds (where applicable) will be paid to your beneficiary(ies). On termination under (3) above, the Account Value less any outstanding Policy Charges will be paid to you. Any outstanding Policy Charges will be deducted from the Account Value in calculation of the Surrender Value or the death benefit, where applicable. Please refer to the section **Schedule of fees and charges** on page 11 for details of the Policy Charges.

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





## Array of investment options

### Investment options

**Signature III** gives you a choice of different investment options across various financial instruments and sectors in global markets. It allows you to diversify your investment while balancing the risk of your investment portfolio.

You can tailor your investment portfolio by giving an investment option allocation instruction for the single premium to the Company at the time of your application. Currently, the investment option allocation in each investment option that you choose should not be less than 10% of your single premium payment. The Company reserves the right to change such minimum allocation requirement in future by giving you one month's prior written notice.

As your investment plan may change over time, **Signature III** gives you the flexibility to change your investment portfolio by switching between investment options after policy issuance, subject to a maximum of 99 investment options allowed per policy. The Company reserves the right to change the maximum number of investment options held under your **Signature III** policy in future by giving you one month's prior written notice.

Your premium 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. **Such premium 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 **Signature III** are calculated by the Company and are equal 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 your Account Value under your policy.

The value of your **Signature III** policy is calculated by the Company based on the performance of your selected investment options (linked to the corresponding reference funds). The return under your **Signature III** policy is subject to various fees and charges levied by the Company and will be lower than the return of the corresponding reference funds. The investment options available under **Signature III** can have very different features and risk profiles. Some may be of high risk. You should read carefully the investment objectives and policies, fees and charges, risk factors and investment and borrowing restrictions as set out in the offering document(s) of the reference fund(s), which are made available by the Company upon request.

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 written notice according to the regulatory requirements so that you may switch your investment options free of switching fee and / or redirect your future investment option allocation 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 at our absolute discretion select one or more designated investment option(s) as outlined in the notice on your behalf and switch your notional 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 and other risks. In the case of merger, we will select the investment option into which the affected investment option is merged.





## Array of investment options (cont'd)

### Switch between investment options

**Signature III** gives you the flexibility to switch your investment between investment options free of switching fee, subject to the following conditions:

- the minimum switching amount is currently HKD4,000 / USD500 / EUR500 / GBP320 / RMB3,250 per switch. The Company reserves the right to change this amount in future by giving you one month's prior written notice; and
- 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 such minimum allocation requirement in future by giving you one month's prior written notice.

You may submit to us your switching request by completing our prescribed paper form or in electronic format through Emma by AXA (mobile app or web portal).

We will process your switching request on the same Business Day after receiving:

- the duly completed form at the Company's office at or before 12:00 noon (Hong Kong time) on any Business Day. If any request is received after 12:00 noon (Hong Kong time) on any Business Day, it will be deemed as having been received on the next Business Day; or
- the switching request via Emma by AXA (mobile app or web portal) at or before 4:00 p.m. (Hong Kong time) on any Business Day. If any request is received after 4:00 p.m. (Hong Kong time) on any Business Day, it will be deemed as having been received on the next Business Day.

The notional units of the investment option(s) under the policy which you have requested to switch out will be cancelled at their respective Bid Price(s) on the Dealing Day of the relevant investment option(s) immediately following the day we have processed the switching request. If there is any Pending Transaction, the processing of the switching request and the cancellation of notional units may be deferred until after such transaction is completed.

Once we have received the proceeds from the cancellation of the notional units of the investment option(s) which have been switched out, we will allocate such proceeds to the selected investment option(s) you would like to switch in according to your investment option allocation instruction. The number of notional units to be allocated will be calculated based on the respective Offer Price(s) on the Dealing Day of such selected investment option(s) immediately following the date on which we receive the proceeds from the cancellation of the notional units. The entire switching process will be completed within 7 Business Days from the date we have processed the switching request. The Company may defer the switching processes due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the switching will be processed as soon as practicable after the cessation of such circumstance(s).







Enjoy your bonus

Loyalty bonus

As an appreciation for your long-term commitment, a loyalty bonus will be awarded to you from the 6<sup>th</sup> Policy Anniversary and every Policy Anniversary thereafter while the policy is in effect.

The amount of the loyalty bonus shall be calculated as follows:

From the 6<sup>th</sup> to the 10<sup>th</sup> Policy Anniversaries

Loyalty bonus	= 0.5% x	The average calendar month-end Account Value for the 12 months prior to the relevant Policy Anniversary on which the loyalty bonus is payable
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On the 11<sup>th</sup> Policy Anniversary and thereafter

Loyalty bonus	= 0.9% x	The average calendar month-end Account Value for the 12 months prior to the relevant Policy Anniversary on which the loyalty bonus is payable
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Please note that the loyalty bonus rates do not represent the rate of return or performance of your investment.

The loyalty bonus will be allocated to your policy in the form of additional notional units of investment option(s) according to your latest investment option allocation instruction at their respective Offer Price(s) on the Dealing Day of the relevant investment option(s) immediately following the relevant Policy Anniversary on which the bonus is payable. If there is any Pending Transaction, the allocation of notional units of investment option(s) may be deferred until after such transaction is completed.

If the policy terminates before the additional notional units of investment options are allocated to your policy as described above, the loyalty bonus, after deduction of any applicable early encashment charge, will be paid by cheque or such other

means as we consider appropriate within one month from the termination of the policy. There will be no clawback after the loyalty bonus is paid. For the information of the average calendar month-end Account Value and the amount of the loyalty bonus, please refer to your policy anniversary statement or log on to Emma by AXA (mobile app or web portal).

The loyalty bonus will form 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 on page 11. Partial withdrawal may lead to a significant reduction in the loyalty bonus.

Illustrative example for the calculation of the loyalty bonus:

This example is hypothetical and for illustrative purpose only.

	Applicable loyalty bonus rate
From the 6 <sup>th</sup> to the 10 <sup>th</sup> Policy Anniversaries	0.5%
On the 11 <sup>th</sup> Policy Anniversary and thereafter	0.9%

Loyalty bonus payable upon each relevant Policy Anniversary	the average calendar month-end Account Value for the 12 months prior to the relevant Policy Anniversary	applicable loyalty bonus rate
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On the 8<sup>th</sup> Policy Anniversary

Sum of the calendar month-end Account Value for the 12 months prior to the 8 <sup>th</sup> Policy Anniversary	HKD1,200,000
Average calendar month-end Account Value for this 12-month period	= HKD1,200,000 / 12 = HKD100,000
Applicable loyalty bonus rate	0.5%
Loyalty bonus payable	= HKD100,000 x 0.5% = <u>HKD500</u>

On the 12<sup>th</sup> Policy Anniversary

Sum of the calendar month-end Account Value for the 12 months prior to the 12 <sup>th</sup> Policy Anniversary	HKD1,800,000
Average calendar month-end Account Value for this 12-month period	= HKD1,800,000 / 12 = HKD150,000
Applicable loyalty bonus rate	0.9%
Loyalty bonus payable	= HKD150,000 x 0.9% = <u>HKD1,350</u>

Loyalty bonus will continue to be payable every policy year thereafter while the policy remains in effect.



Schedule of fees and charges

The current Policy Charges for your **Signature III** policy are as follows:

Policy Charges																																			
Account service fee	The monthly account service fee is 0.1% (an annual rate of 1.2% divided by 12) of the Account Value as at the due date for the payment of the account service fee.																																		
	Account service fee will be deducted monthly in advance from the Account Value on the date of policy issuance and the same day as the Policy Date in each subsequent month by cancelling notional units of the investment options at their Bid Price in proportion to the respective values of the notional units of the investment options held by the policy owner while the policy is in effect.																																		
Insurance charge	Insurance charge is payable while the policy is in effect. It will be deducted monthly in advance from the Account Value on the date of policy issuance and the same day as the Policy Date in each subsequent month by cancelling notional units of the investment options at their Bid Price in proportion to the respective values of the notional units of the investment options held by the policy owner.																																		
	The monthly insurance charge is equal to (i) the insurance charge rate per annum divided by 12, then multiplied by (ii) the net amount at risk. The net amount at risk is the higher of (1) 5% of the Account Value; and (2) single premium paid less the sum of (a) total partial withdrawals made (if any); and (b) 100% of the Account Value, as at the due date for the payment of the insurance charge.																																		
	The Company determines the insurance charge rate during the term of your <b>Signature III</b> policy with reference to the insured’s attained age, sex and risk class.																																		
	The table below sets out some indicative insurance charge rates per annum for illustrative purposes. Please contact the Company for confirmation of the current insurance charge rates applicable to your policy.																																		
	Insurance charge rate per annum (for standard risk class)																																		
	<table><tr><th>Attained age of the insured at the beginning of the policy year</th><th>Male</th><th>Female</th></tr><tr><td>10</td><td>0.057%</td><td>0.055%</td></tr><tr><td>20</td><td>0.094%</td><td>0.060%</td></tr><tr><td>30</td><td>0.122%</td><td>0.096%</td></tr><tr><td>40</td><td>0.240%</td><td>0.192%</td></tr><tr><td>50</td><td>0.534%</td><td>0.455%</td></tr><tr><td>60</td><td>1.528%</td><td>1.120%</td></tr><tr><td>70^</td><td>4.410%</td><td>2.919%</td></tr><tr><td>80^</td><td>12.063%</td><td>9.091%</td></tr><tr><td>90^</td><td>28.016%</td><td>26.800%</td></tr><tr><td>99^</td><td>52.599%</td><td>56.680%</td></tr></table>		Attained age of the insured at the beginning of the policy year	Male	Female	10	0.057%	0.055%	20	0.094%	0.060%	30	0.122%	0.096%	40	0.240%	0.192%	50	0.534%	0.455%	60	1.528%	1.120%	70^	4.410%	2.919%	80^	12.063%	9.091%	90^	28.016%	26.800%	99^	52.599%	56.680%
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^ Please note that the 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 and you should consult your financial consultant for your personalised insurance charge rate.																																			
Insurance charge may increase significantly during the term of your <b>Signature III</b> policy 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.																																			
Please refer to the <b>Illustrative example for the calculation of the insurance charge</b> on page 5 for details.																																			



Schedule of fees and charges (cont'd)

Policy Charges

The early encashment charge will be levied on the policy upon partial withdrawal of the Account Value, surrender or termination (other than as a result of the death of the insured) of the policy during the first 5 policy years.

The early encashment charge is the applicable early encashment charge rate as set out in the table below multiplied by:

the amount of Account Value to be withdrawn, in case of partial withdrawal; or

the Account Value, in case of surrender or termination (other than as a result of the death of the insured) of the policy.

Policy year	Early encashment charge rate
1	6.0%
2	5.0%
3	4.0%
4	3.0%
5	1.5%
6 and thereafter	0%

Early encashment charge will be deducted from:

the withdrawal amount upon partial withdrawal during the first 5 policy years; and

the Account Value upon surrender or termination (other than as a result of the death of the insured) of the policy during the first 5 policy years.

Charging of the early encashment charge on your **Signature III** policy will lead to a reduction in the Account Value and subsequently the Surrender Value.

The earlier the partial withdrawal is made / the policy is surrendered or terminates (other than as a result of the death of the insured), the higher the applicable early encashment charge rate will be imposed and therefore it may result in a significant or even total loss of your principal and the bonuses.

Illustrative examples for the calculation of the early encashment charge for early surrender and partial withdrawal:

These examples are hypothetical and for illustrative purpose only.

Case 1: Surrender in the 4<sup>th</sup> policy year

Account Value	HKD300,000
Applicable early encashment charge rate	3%
Early encashment charge	<div>= Account Value x Applicable early encashment charge rate = HKD300,000 x 3% = <u>HKD9,000</u></div>
Surrender Value	<div>= Account Value – early encashment charge = HKD300,000 – HKD9,000 = <u>HKD291,000</u></div>

Early encashment charge





Schedule of fees and charges (cont'd)

Policy Charges

Early encashment charge

Case 2: Partial withdrawal in the 5<sup>th</sup> policy year

Requested withdrawal amount	HKD50,000
Applicable early encashment charge rate	1.5%
Early encashment charge	= Partial withdrawal amount x Applicable early encashment charge rate = HKD50,000 x 1.5% = <u>HKD750</u>
Amount payable to policy owner	= Requested withdrawal amount – early encashment charge = HKD50,000 – HKD750 = <u>HKD49,250</u>

Your application for partial withdrawal is subject to the minimum partial withdrawal amount requirement and the remaining Account Value immediately after the partial withdrawal should not be less than the Minimum Account Balance. For details, please refer to the section **Partial withdrawal** as set out on page 6.

Charges on reference funds	
Fund management charge	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.
Other charges	The reference funds are subject to the fees, charges and expenses levied by the investment managers and other service providers 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.

If the Account Value of your Signature III policy becomes insufficient to cover all the relevant Policy Charges due (including the insurance charge) after the expiry of the 31-day grace period, your Signature III policy will terminate early and be subject to an early encashment charge (up to 6% of the Account Value) where the termination occurs within the first 5 policy years. As Signature III is a single premium policy, you may not pay additional premium to settle the outstanding Policy Charges. You could lose all your premiums paid and benefits. You should consult your financial consultant for details, such as how the Policy Charges may increase and could impact the Account Value of your Signature III policy.

Change of fees and 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.



## General information

### Application

**Signature III** is available to proposed insured from 14 days old up to age 80 and proposed policy owner from age 18 to 80 (based on age last birthday). Application for a proposed insured under age 18 must be made by his or her parent or guardian.

To apply for **Signature III**, please contact your financial consultant and complete and return all the application documents to us with the premium required. You should not purchase this product unless you understand it and it has been explained to you how it is suitable to you. The final decision is yours.

The Company reserves the right to decline any applications for **Signature III** 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

Single premium is to be paid at the place designated from time to time by the Company. Please contact the Company or your financial consultant for the available methods of payment as determined by the Company from time to time.

### Policy currency

All amounts payable to and due from the Company will be calculated and made in the policy currency subject to the right of the Company to determine at its absolute discretion to accept and make payment under the policy in HKD.

Where any amounts paid to or payable by the Company are in a currency other than the policy currency, such amounts will be converted from such other currency into the policy currency or from the policy currency into such other currency (as the case may be) at the prevailing exchange rate as determined by the Company in good faith and a commercially reasonable manner at its sole discretion from time to time with reference to prevailing market rate. Please visit our website at [www.axa.com.hk](http://www.axa.com.hk) for the exchange rates. In carrying out any transactions under the policy, including but not limited to the allocation, cancellation or switching of notional units, we may effect currency conversions at the prevailing exchange rates.

The resultant amount of any currency conversion as described in this section shall be rounded down to 2 decimal places and any remaining balance after such rounding shall accrue to the Company.

### Cooling-off period

Cooling-off period is a period during which you may cancel your policy and get back your original investments (subject to market value adjustment and less any withdrawal amount paid to you) and levy paid within **21 calendar days** immediately following either the day of delivery of the policy or the notice of policy issuance to you or your nominated representative (whichever is earlier).

Such notice of policy issuance should inform you of the availability of the policy and expiry date of the cooling-off period. Please refer to the Guideline on Cooling-off Period issued by the Insurance Authority from time to time for reference.

You have to tell us by returning the policy (if applicable) and giving a written notice of cancellation. Such written notice of cancellation must be signed by you and received directly by AXA China Region Insurance Company (Bermuda) Limited at Suite 2001, 20/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

You may get back the amount you paid, or less if (i) any withdrawal amount has been paid to you; and / or (ii) the value of the investment options chosen has gone down at the time when your cancellation request is processed by us, in which case a market value adjustment will be applied. Any market value adjustment will be calculated solely with reference to the loss that the Company might make in realising the value of any assets acquired through investment of the premiums under the policy. The market value adjustment calculation will not include any allowance for expenses or commissions in connection with the issuance of the policy.

No refund of any premiums and levy paid can be made if claim payment under the policy has been made prior to your request for cancellation.

### Grace period

We allow a grace period of 31 days immediately following the due date for the payment of the Policy Charges if the Account Value is insufficient to cover the relevant Policy Charges due. As **Signature III** is a single premium policy, you may not pay additional premium to settle the outstanding Policy Charges.

If the relevant Policy Charges remain outstanding after the expiry of the 31-day grace period, the policy will terminate and the early encashment charge (up to 6% of the Account Value) will apply where the termination occurs within the first 5 policy years. Any overdue Policy Charges will be deducted from the proceeds payable to you.

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



# General information (cont'd)

## Amounts payable by the Company

Any amounts payable by the Company under the policy may first be applied to repay any outstanding charges under the policy at the discretion of the Company.

## Policy maturity

The policy will mature and terminate on (i) the Policy Anniversary which falls on the date on which the insured attains the age of 100 if the date of the 100<sup>th</sup> birthday of the insured coincides with such Policy Anniversary, or (ii) the Policy Anniversary immediately after the date on which the insured attains the age of 100 if the date of the 100<sup>th</sup> birthday of the insured does not coincide with a Policy Anniversary. In such event, the Account Value less any outstanding Policy Charges will be payable to you. The policy shall cease to be in effect on the policy maturity date.

All the notional units of the investment option(s) under the policy will be cancelled at their respective Bid Price(s) on the Dealing Day of the relevant investment option(s) immediately following the policy maturity date. If there is any Pending Transaction, the cancellation of notional units may be deferred until after such transaction is completed.

The Account Value less any outstanding Policy Charges will be paid within 14 Business Days from the policy maturity date. The Company may defer the payment due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the payment will be made as soon as practicable after the cessation of such circumstance(s). No interest is payable for the period between the date the notional units of the investment options are cancelled from your policy and the date of payment of the Account Value less any outstanding Policy Charges (both dates inclusive).

## Borrowing power

**Signature III** has no borrowing powers. For details of the borrowing powers of the reference funds, please refer to the offering documents of each respective reference fund.

## Valuation and unit pricing of an investment option

■ **Premium allocation to investment options**  
Notional units relating to an investment option will be allocated to the policy at the Offer Price of the investment option on the Dealing Day immediately following the issuance of your **Signature III** policy subject to our receipt of the premium in cleared funds.

■ **Distribution policy and related arrangement for dividend of reference funds**  
If the reference fund of a Dividend Distribution Investment Option declares any dividend and you hold notional units of the investment option corresponding to the reference fund on the Record Date<sup>^</sup>, you will be entitled to a dividend payout (the “Dividend Payout”). For the avoidance of doubt, any (1) cancellation of your policy during the cooling-off period, (2) termination of your policy or (3) cancellation of the relevant notional units of the Dividend Distribution Investment Option as a result of switching or partial withdrawal, subsequent to the Record Date<sup>^</sup>, will not affect your entitlement to the payment of Dividend Payout, and the Dividend Payout in cash previously paid to you and in units previously allocated to your policy (if any) will not be clawed back.

The Dividend Payout amount is determined by multiplying the number of notional units of the Dividend Distribution Investment Option held by you on the Record Date<sup>^</sup> by the dividend rate declared by the reference fund and shall be rounded to the nearest two decimal places. Any remaining balance after such rounding will be borne or absorbed by the Company.

The frequency of Dividend Payout of a Dividend Distribution Investment Option follows the frequency of dividend distribution of the reference fund corresponding to the Dividend Distribution Investment Option.

The Dividend Payout history of each Dividend Distribution Investment Option for the last 12 months and the dividend composition information of the corresponding reference fund will be available from the Company upon request and also on the website of the Company [www.axa.com.hk](http://www.axa.com.hk).

<sup>^</sup> The Record Date is a date declared by the management company of the reference fund of a Dividend Distribution Investment Option to determine which investors are eligible to receive dividend from the reference fund.





# General information (cont'd)

You have **two options** to receive your Dividend Payout:

## i Payout in cash

Under this option, the Dividend Payout you are entitled to will be paid in cash through autopay in HKD or other methods as agreed by the Company in HKD or the policy currency. The Company will normally effect the payment within 14 Business Days after the Company has received the dividend payment from the reference fund corresponding to the Dividend Distribution Investment Option. The Company may defer the payment due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the payment will be made as soon as practicable after the cessation of such circumstance(s). No interest is payable on the Dividend Payout for the period during which the payment is deferred.

There is no handling fee and charge imposed by the Company in respect of the Dividend Payout in cash, but such payout may be subject to any applicable bank charges incurred by autopay or other payment methods and any such charges are to be borne by the policy owner. All applicable bank charges may be deducted from the Dividend Payout amount in advance and the resulting net amount will be paid to you. The applicable bank charges will be determined by the bank at its sole discretion from time to time. Please consult the bank directly for details.

You should note that by receiving the Dividend Payout in cash as opposed to receiving it in notional units of the Dividend Distribution Investment Option, the Account Value will be lower and it (i) will therefore lead to a reduction in the loyalty bonus; (ii) may reduce the proceeds from death claim; and (iii) will lead to policy termination when the Account Value is insufficient to cover the relevant Policy Charges due after the expiry of the 31-day grace period.

## ii Payout in unit(s)

Under this option, the Dividend Payout you are entitled to will be automatically re-invested and allocated to your policy in the form of additional notional unit(s) of the relevant Dividend Distribution Investment Option. The Company will normally allocate the unit(s) within 14 Business Days after the Company has received the dividend payment from the reference fund based on the Offer Price of a notional unit of the relevant Dividend Distribution Investment Option on the Dealing Day on which such notional unit(s) is / are allocated to your policy. The Company may defer the allocation due to any Exceptional Circumstance(s). When such circumstance(s) cease(s) to exist, the allocation will be made as soon as practicable after the cessation of such circumstance(s). No interest is

payable on the Dividend Payout for the period during which the allocation is deferred.

Dividend Payout in unit(s) will form part of the Account Value and therefore be subject to applicable Policy Charges as set out in the section **Schedule of fees and charges**.

You could select one of the above options for receiving Dividend Payout when you apply for **Signature III**. The selected option will apply to all Dividend Distribution Investment Options under your policy. You could change the option at any time after policy issuance by giving us a written request in the form specified by us. If no instruction is received by us, the default option for receiving Dividend Payout is Option (ii) – payout in unit(s).

Please refer to the section **IMPORTANT INFORMATION** on page 1 for the risks in relation to investing in Dividend Distribution Investment Options.

The Company reserves the right to vary the distribution policy and the related arrangement subject to the relevant regulatory approval and by giving you a prior written notice of not less than one month.

### ■ Calculation of Account Value

The Account Value of the policy will be calculated using the Bid Prices of notional 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 determined on a Business Day 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 equal to those of the reference fund(s) as determined by the respective investment manager(s) of the reference fund(s). Fractions of less than one-ten thousandth of a notional unit of an investment option will not be allocated to or cancelled from the policy. Any remaining balance after such rounding will be absorbed 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 written 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.



## General information (cont'd)

### ■ Suspension and deferral of dealings of investment options

The Company may at its sole discretion suspend the valuation of an investment option and / or the allocation, cancellation or switching of notional units of the relevant investment option for the whole or any part of any period during which:

- (i) valuation of or dealings in the relevant reference fund(s) are suspended; or
- (ii) it is not reasonably practicable for the Company to subscribe for or redeem units / shares in the relevant reference fund(s); 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 notional units of the investment option is delayed or, in the opinion of the Company, cannot be carried out promptly at reasonable rates of exchange or reasonable prices; or
- (iv) any other Exceptional Circumstance exists.

In these circumstances, we may suspend any withdrawal from the policy and / or defer the payment of any benefits or claims under the policy. Our right of suspension and deferment as described in this section will only last for so long as the event which triggers any of the circumstances described in sub-paragraphs (i) to (iv) of the first paragraph of this section still exists. When such event ceases to exist, any allocation, cancellation or switching of notional units and determination of any benefits or claims under the policy will be carried out as soon as practicable after the cessation of such event. No interest is payable on any amount payable by us for the period during which the payment is deferred.

For the avoidance of doubt, all the dealings of investment options and payments to be made by the Company under the policy as described in this Product Brochure are subject to this section.

### ■ Limitation on dealings of investment options

The Company has the right to prohibit the cancellation of notional units of an investment option or limit the number of notional units of an investment option to be cancelled on any Dealing Day in any of the following circumstances:

- (i) the relevant reference fund imposes a similar prohibition or limitation on the Company's transaction in that reference fund;
- (ii) it is not reasonably practicable for the Company to redeem units / shares in the relevant reference fund; and
- (iii) the prohibition or limitation is necessary for the purpose of compliance with any applicable laws, rules, regulations, codes and / or guidelines, whether implemented or issued by the government or the relevant regulatory authorities.

Where the Company exercises its right to prohibit the cancellation of notional units of an investment option or limit the number of notional units of an investment option to be cancelled as described above for the policy, investment option switching and any payments to be made by the Company under the policy will be suspended or deferred. Our right of prohibition and limitation as described in this section will only last for so long as the event which triggers any of the circumstances described in sub-paragraphs (i) to (iii) of the first paragraph of this section still exists. When such event ceases to exist, any cancellation or switching of notional units and any payments to be made by the Company under the policy will be carried out or made as soon as practicable after the cessation of such event. No interest is payable on any amount payable by us for the period during which the payment is deferred.

For the avoidance of doubt, all the dealings of investment options and payments to be made by the Company under the policy as described in this Product Brochure are subject to this section.

## Governing law and jurisdiction

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

## Levy on insurance premium

Levy collected by the Insurance Authority through the Company will be imposed on the policy at the applicable rate. Policyholders must pay the levy in order to avoid any legal consequences.

## Rights of Third Parties

The policy is excluded from the application of the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) ("TP Ordinance"). Any person or entity which is not a party to the policy (e.g. a third party beneficiary) shall have no rights under the TP Ordinance to enforce any terms of the policy, and, for the avoidance of doubt, parties to the policy refer to the Company and the policy owner.

## 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.



## General information (cont'd)

### 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 the Company and the **Signature III** 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 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 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 Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016 which marks the implementation of AEOI in Hong Kong. Under the AEOI standard, relevant financial institutions ("reporting FIs") in Hong Kong, including insurance companies, are required to collect certain information of their non-Hong Kong tax resident account holders, and submit such information to the Inland Revenue Department of Hong Kong. The Inland Revenue Department of Hong Kong 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 Hong Kong (i.e. "reportable jurisdictions").

The Company is the reporting FI under Ordinance 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 Inland Revenue Department of Hong Kong information on such Reportable Accounts.

Under the Ordinance, 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 Inland Revenue Department of Hong Kong and subsequently exchanged with the reportable jurisdictions.

The Inland Revenue Department of Hong Kong 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.





## General information (cont'd)

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 AEOL. Your information may be communicated by the Inland Revenue Department of Hong Kong 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 AEOL on your application for and / or continued holding of the plan.

### Financial Institutions (Resolution) Ordinance

The Financial Institutions (Resolution) Ordinance (Cap. 628) (the “FIRO”) was enacted by the Legislative Council of Hong Kong in June 2016. In July 2017, the FIRO (except for Part 8, section 192 and Division 10 of Part 15 thereof) came into operation. The FIRO provides a regime for the orderly resolution of failed financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. “Critical financial functions” is defined under the FIRO to mean activities or operations carried on, or services provided, by a financial institution (a) on which an entity (other than a group company of the financial institution) relies; and (b) that, if discontinued, would be likely to (i) lead to the disruption of services that are essential to the economy of Hong Kong; (ii) undermine the general confidence of participants in the financial market in Hong Kong; or (iii) give rise to contagion within the financial system of Hong Kong, for any reason including the size, interconnectedness, complexity or cross-border activities of, or the market share held by, the financial institution or the

group of companies of which the financial institution is a member. The FIRO seeks to provide the relevant resolution authorities (the Hong Kong Monetary Authority, the Insurance Authority and the Securities and Futures Commission) with a range of powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing banking sector entity, insurance sector entity and securities and futures sector entity in Hong Kong.

As an insurance sector entity, the Company is subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of the Company may have a material adverse effect on the **Signature III** policy, and as a result, you and your beneficiary may not be able to recover all or any amount due under the **Signature III** policy. In the worst-case scenario, you and your beneficiary could lose all investment under the **Signature III** policy.

This Product Brochure is important. If you are in doubt of its contents or wish to understand more, you should seek independent professional advice.

### Investment risks

Investment involves risks, including fluctuation of market price of investment. 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 **Signature III** (for which a reasonable price as determined from time to time by the Company may be imposed), please contact us by telephone (852) 2802 2812, fax (852) 2598 7623 or email [cs@axa.com.hk](mailto:cs@axa.com.hk). You can also contact us in person or by mail at Suite 2001, 20/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or visit our website [www.axa.com.hk](http://www.axa.com.hk).



# Glossary

**Account Value:** The Account Value on any day is the sum of the value of your notional units in each investment option standing to the credit of the policy as at that day. The value of your notional units in an investment option is determined by multiplying the number of outstanding notional units in the investment option standing to the credit of the policy by the Bid Price of a notional unit in the investment option as at the relevant valuation date and shall be rounded down to two decimal places. The rounding difference shall be accrued to the Company. For the information of the Account Value, please refer to your policy anniversary statement or log on to Emma by AXA (mobile app or web portal).

**Bid Price:** The Bid Price of a notional 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 notional unit shall be calculated. The Bid Price of a notional unit of an investment option shall be equal to the bid price or, if there is no bid price, the net asset value of a unit, share or other interest of its reference fund.

**Business Day:** A Business Day means a day (other than Saturday) on which banks in Hong Kong are open for normal banking business.

**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.

**Exceptional Circumstances:** Exceptional Circumstances include but are not limited to typhoon, breakdown of means of communication, military events and any other circumstances beyond the control of the Company which cause an interruption to the Company’s normal business.

**Minimum Account Balance:** The Minimum Account Balance is maintained to determine whether a partial withdrawal can be made. The Minimum Account Balance is currently HKD24,000 / USD3,000 / EUR3,000 / GBP1,920 / RMB19,500. The amount of the Minimum Account Balance is determined by the Company at its sole discretion and we reserve the right to change such amount in future by giving you one month’s prior written notice.

**Offer Price:** The Offer Price of a notional 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 of the investment option is allocated to your policy. The Offer Price of a notional unit of an investment option shall be equal to the Bid Price.

**Pending Transaction:** Pending Transaction is any transaction pending to be completed in respect of a policy, including but not limited to investment options switching, partial withdrawal, charges deduction and dividend distribution. If there is any Pending Transaction, the time required for allocation or cancellation of notional units to or from the policy may be longer.

**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 date your policy takes effect and is shown in the policy contract.

**Surrender Value:** The Surrender Value is payable upon policy surrender or termination (other than as a result of the death of the insured) before policy maturity. The Surrender Value is the Account Value less any outstanding Policy Charges, including for the avoidance of doubt any applicable early encashment charge. In the case where the amount of outstanding Policy Charges is greater than the Account Value, the Surrender Value will be zero.



## Parties involved

### **Insurance company**

AXA China Region Insurance Company (Bermuda) Limited  
(Incorporated in Bermuda with limited liability)  
Hong Kong Office  
20/F, Vertical Sq, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong

### **Investment managers / Advisers of the reference funds**

For information on the investment managers / advisers of the reference funds, please refer to the offering documents of the reference funds.

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February 2023

LPPM 866-2302



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