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PRODUCT KEY FACTS

Polaris Investment Insurance Plan

July 2023

AXA China Region Insurance Company (Bermuda) Limited

This statement provides you with key information about this product.

This statement is a part of the offering document.

You should not invest in this product based on this statement alone.

There is a “Glossary” section at the end of this Product Key Facts Statement.

For those italic words, please refer to the “Glossary” section for explanation.

Quick facts

Name of insurance company:

- AXA China Region Insurance Company (Bermuda) Limited

Single or regular premium:

- Regular premium

Policy term:

- To age 100 of the insured

Premium payment term:

- 2 years

Period with surrender (early encashment) charge:

- The first 5 policy years

Policy currency:

- HKD / USD / EUR / GBP / RMB

Life insurance protection level:

- ☐ High protection ☒ Low protection

Governing law of policy:

- HKSAR

Things to know before you invest

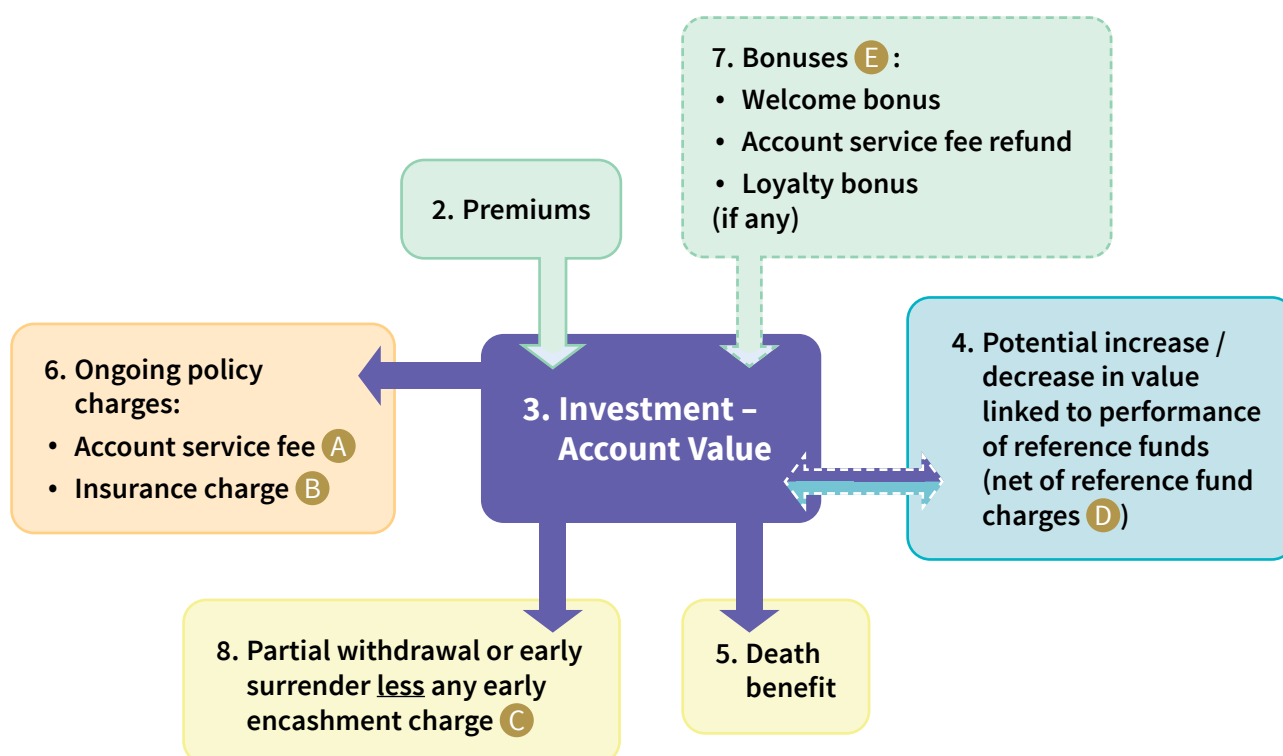
- This investment-linked assurance scheme Polaris Investment Insurance Plan (“Polaris” or “ILAS policy”) is a long-term investment-cum-life insurance product. Your principal will be at risk and subject to the credit risks of AXA China Region Insurance Company (Bermuda) Limited (the “Company” or “we”).
- This ILAS policy is subject to an early encashment charge of up to 7% of the *Account Value* for 5 years. It is only suitable for investors who are prepared to hold the investment for a long term period.
- If you are not prepared to hold your policy for at least 5 years, this policy is not suitable for you and it may be cheaper to purchase an insurance policy and make separate fund investments. You should seek independent professional advice.

What is this product and how does it work?

1. Product nature	Life insurance policy that provides: <ul style="list-style-type: none"> • investment in investment options; and • limited insurance protection. 				
2. Premiums	The premiums you pay will be used by the Company to allocate notional units of investment options you select and will go towards accretion of the value of your ILAS policy.				
3. Investment	<p>The range of investment options (and corresponding reference funds) available for selection under this product are listed in the investment options leaflet. They are funds authorised by the SFC pursuant to the Code on Unit Trusts and Mutual Funds (“UT Code”).</p> <p>You may switch between investment options over time to suit your investment plan and risk profile. The features and risk profiles of the reference funds can be found in their offering documents which are available from the Company upon request.</p>				
4. Investment returns	The value of your ILAS policy is calculated by the Company based on the performance of your selected investment options (linked to the corresponding reference funds). Your return under this ILAS policy is subject to various fees and charges levied by the Company (see item 6 below) and will be lower than the return of the corresponding reference funds.				
5. Insurance protection	<p>Death benefit is equal to the higher of:</p> <p>(i) 105% of the <i>Account Value</i>; and</p> <p>(ii) the aggregate amount of all regular premiums paid, less the aggregate amount of all partial withdrawals made (if any).</p> <p>The cost of insurance (“insurance charge”) used to cover the insurance protection will be deducted from your ILAS policy. This charge may increase significantly when the insured gets older or your investments make a loss, etc.</p>				
6. Fees and charges	<p>There are various fees and charges under this ILAS policy. Please see below for details.</p> <table border="1"> <tr> <td><i>Policy Charges</i></td><td>Account service fee A } Platform fee Insurance charge B Early encashment charge C</td></tr> <tr> <td>Reference fund charges D</td><td>E.g., fund management fee and performance fee</td></tr> </table> <p>Separately, the managers of the reference funds may pay up to 100% of their annual management fees as a rebate to the Company subject to various terms and conditions.</p>	<i>Policy Charges</i>	Account service fee A } Platform fee Insurance charge B Early encashment charge C	Reference fund charges D	E.g., fund management fee and performance fee
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Reference fund charges D	E.g., fund management fee and performance fee				

What is this product and how does it work? (cont'd)

7. Bonuses ^E	<p>You may be entitled to welcome bonus, account service fee refund and loyalty bonus subject to conditions. The welcome bonus may be subject to clawback in certain event.</p> <p>Please refer to the sections Welcome bonus on page 11, Account service fee refund on page 13 and Loyalty bonus on page 13 of the Product Brochure for details.</p>
8. Partial withdrawal and early surrender	<p>You may request to make partial withdrawal or early surrender your policy subject to conditions and any applicable withdrawal / surrender charges (i.e. early encashment charge). You may also lose your entitlement to bonuses. If you choose to fully surrender your policy early, you may not get back the full amount of premium you pay. Your personalised illustration will provide an indication of the policy surrender values over time.</p>



The numbers in this graph follow the items numbered in the table right above.

What are the key risks?

Investment involves risks. Please refer to the Principal Brochure of Polaris Investment Insurance Plan for details including the risk factors.

- **Credit and insolvency risks – Polaris** is an insurance policy issued by the Company. Your investments and insurance protection are subject to the credit risks of the Company.
- **No ownership over assets** – All premiums you pay towards your ILAS 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.
- **Insurance benefits are at risk** – 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.
- **Market risks** – Return of this ILAS 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.
- **Some investment options have higher risk** – The investment options available under **Polaris** can have very different features and risk profiles. Some may be of high risk. For example, some investment options are linked to funds that pay dividends out of capital, which may result in an immediate reduction of the funds' net asset value per unit and hence reduce the value of your ILAS policy.
- **Early termination risks** – Reduction or suspension of premium contribution (during premium holiday), or partial withdrawal from the policy (which may be subject to an early encashment charge), may significantly reduce the value of the ILAS policy and accordingly the death benefit and the bonuses, while all fees and charges are still deductible. Poor performance of the reference funds may further magnify your investment losses. If the value of your ILAS policy becomes insufficient to cover all the ongoing fees and charges, your ILAS policy may be terminated early and you could lose all your premiums paid and benefits.
- **Foreign exchange risks** – The investment returns of your ILAS 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).

Is there any guarantee?

- This ILAS policy does not have any guarantee. You may not get back the full amount of premium you pay.

What are the fees and charges?

Total policy charges illustration

	Estimated Policy Charges for a non-smoking 40-year-old male over the respective holding periods (% of premiums) (Note 1)		
	10 years	15 years	20 years
Platform fee (net of bonuses) (A – E)	8.5% equivalent to 0.8% of Account Value per year	10.1% equivalent to 0.6% of Account Value per year	12.0% equivalent to 0.5% of Account Value per year
Insurance charge (B)	0.2%	0.4%	0.8%
Total	8.7%	10.5%	12.8%

The actual percentage(s) may change depending on individual circumstances of each case, and will be significantly higher if your selected underlying investments are making losses.

Policy charges payable to AXA China Region Insurance Company (Bermuda) Limited

Platform fee		
	Annualised rate	When and how the charges are deducted
Account service fee (A)	<ul style="list-style-type: none"> 1.5% per annum (i.e., 0.125% per month) of the Account Value as at the due date for the payment of the account service fee. 	Deduct from the Account Value monthly by cancelling notional units of the investment options.

Cost of insurance protection		
Insurance charge (B)	<ul style="list-style-type: none"> 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 equal to the higher of (1) 5% of the Account Value; and (2) the aggregate amount of all regular premiums paid less the sum of (a) the aggregate amount of all 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 ILAS policy with reference to the insured's attained age, sex and risk class. Please consult your financial consultant for your personalised insurance charge rate. 	Deduct from the Account Value monthly by cancelling notional units of the investment options.

What are the fees and charges? (cont'd)

Cost of insurance protection (cont'd)

Insurance charge **B**

- Insurance charge may increase significantly during the term of your ILAS 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 section **Schedule of fees and charges** on page 16 of the Product Brochure for the indicative insurance charge rates.

Please ask your intermediaries and / or refer to the customised illustration documents for the details.

Charge on early surrender or partial withdrawal

Early encashment charge **C**

- 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	7.0%
2	6.0%
3	4.5%
4	3.0%
5	1.5%
6 and thereafter	0%

- Deduct from the withdrawal amount upon partial withdrawal during the first 5 policy years; and
- Deduct from 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.

The Company may vary the charges or imposes new charges with not less than 1 month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

Reference funds charges **D**

Reference funds corresponding to the investment options have separate fees and charges on top of the *Policy Charges* set out above. Such charges will be deducted and reflected in the unit price of the reference funds.

Intermediaries' remuneration

- Although you may pay nothing directly to the intermediary who sells / distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay and is therefore not independent. Your intermediary should disclose to you in writing at the point-of-sale information about intermediary remuneration.
- The amount of remuneration actually receivable by your intermediary may vary from year to year and may be higher in the early policy years. You should ask your intermediary before taking up your ILAS policy to know more about the remuneration that your intermediary will receive in respect of your ILAS policy. If you ask, your intermediary should disclose the requested information to you.

What if you change your mind?

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 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 the Company 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 the Company, 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.
- If you cancel the policy within the cooling-off period, you will not be entitled to the welcome bonus.

Additional information

- 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.
- You should read the principal brochure of **Polaris** and the offering documents of the reference funds, which are available from the Company upon request, for details of the product features, risks and charges.

Insurance company's information

AXA China Region Insurance Company (Bermuda) Limited
(Incorporated in Bermuda with limited liability)

Address:
20/F, Vertical Sq, 28 Heung Yip Road,
Wong Chuk Hang, Hong Kong

Tel: (852) 2802 2812
Fax: (852) 2598 7623
Email: cs@axa.com.hk
Website: www.axa.com.hk

Important

AXA China Region Insurance Company (Bermuda) Limited is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including **Polaris** referred to in this statement.

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

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

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, log on to Emma by AXA (mobile app or web portal) or contact our customer service hotline.
- **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 **What are the fees and charges?**

Note

1. The estimated total *Policy Charges* figures are calculated based on the following assumptions:
 - (a) the insured is a non-smoking 40-year-old male;
 - (b) the payment of regular premium of HKD100,000 per annum throughout the premium payment term;
 - (c) you hold your ILAS policy for 10, 15 and 20 years respectively;
 - (d) there is no early withdrawal / termination of your ILAS policy; and
 - (e) an assumed rate of return of 3% per annum.

The platform fee per year means the equivalent annual fee (as a percentage of the *Account Value*) in respect of the total platform fee (net of all non-discretionary bonuses) levied under this ILAS policy.