

SunFortune

May 2023

- Product Key Facts Statement
- Principal Brochure - Product Brochure

Sun Life Hong Kong Limited

(Incorporated in Bermuda with limited liability)



Sun Life Hong Kong Limited

**SunFortune
May 2023**

*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.*

For those words which are italic and underlined, they have the same definition as that in Product Brochure. Please refer to the "Glossary" section in Product Brochure for explanations.

Quick facts:

Name of insurance company: Sun Life Hong Kong Limited ("Sun Life")

Policy currency: USD

Single or regular premium: Single contribution (No subsequent lump sum contribution is allowed)

Life insurance protection level:

High protection Low protection

Policy term: Up to the insured's age of 100

Governing law of policy: Laws of the Hong Kong Special Administrative Region

Minimum premium payment term: N/A

Period with Early Encashment Charge: The first 5 policy years

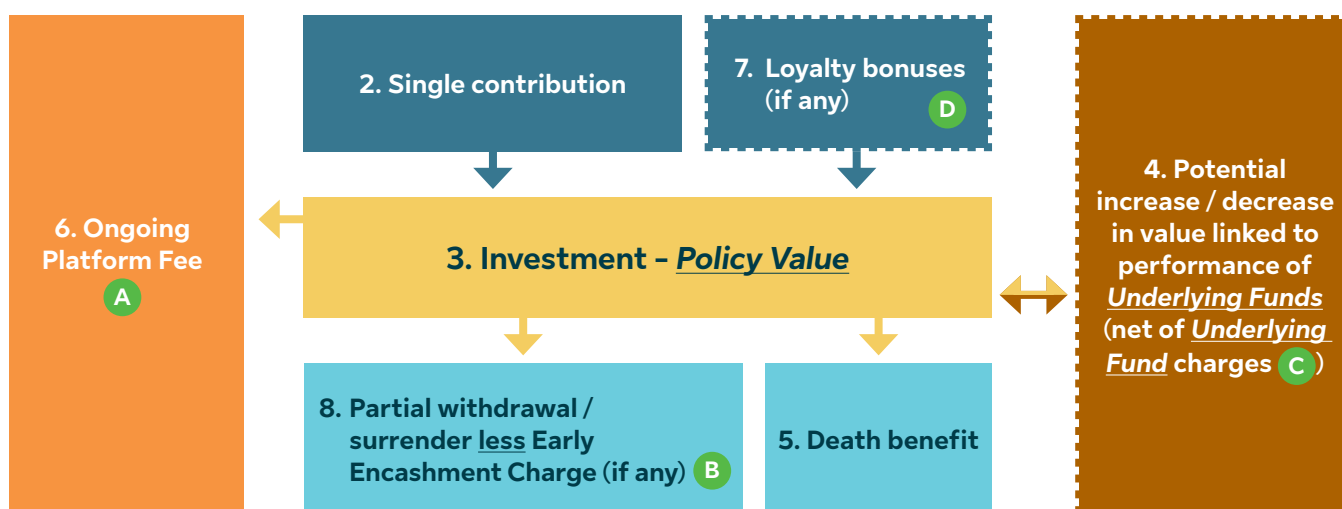
Things to know before you invest 

- This investment-linked assurance scheme ("ILAS policy") is a long-term investment-cum-life insurance product. Your principal will be at risk and subject to the credit risks of Sun Life.
- This ILAS policy is subject to an Early Encashment Charge of up to 5% of your single contribution for the first 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 4 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-linked funds; and • limited insurance protection.
2. Premiums	The single contribution you pay will be used by Sun Life to allocate notional units of investment-linked funds you select and will go towards accretion of the value of your ILAS policy.

<p>3. Investment</p>	<p>The range of investment-linked funds (and corresponding <i>Underlying Funds</i>) available for selection under this product are listed in the Investment-Linked Fund Guide. They are funds authorized by the SFC pursuant to the Code on Unit Trusts and Mutual Funds (“UT Code”).</p> <p>You may switch between investment-linked funds over time to suit your investment plan and risk profile. The features and risk profiles of the <i>Underlying Funds</i> can be found in their offering documents which are available from Sun Life upon request.</p>				
<p>4. Investment returns</p>	<p>The value of your ILAS policy is calculated by Sun Life based on the performance of your selected investment-linked funds (linked to the corresponding <i>Underlying Funds</i>). Your return under this ILAS policy is subject to various fees and charges levied by Sun Life (see item 6 below) and will be lower than the return of the corresponding <i>Underlying Funds</i>.</p>				
<p>5. Insurance protection</p>	<p>Death benefit equals to 105% of <i>Policy Value</i>.</p>				
<p>6. Fees and charges</p>	<p>There are various fees and charges under this ILAS policy. Please see below for details.</p> <table border="1" data-bbox="395 786 1442 994"> <tr> <td data-bbox="395 786 810 913"> <p>Policy charges</p> </td> <td data-bbox="810 786 1442 913"> <p>Ongoing Platform Fee A Early Encashment Charge B</p> </td> </tr> <tr> <td data-bbox="395 913 810 994"> <p><i>Underlying Fund</i> charges C</p> </td> <td data-bbox="810 913 1442 994"> <p>E.g. management fee and performance fee</p> </td> </tr> </table> <p>Separately, the managers of the <i>Underlying Funds</i> may pay up to 82% of their annual management fees as a rebate to Sun Life subject to various terms and conditions.</p>	<p>Policy charges</p>	<p>Ongoing Platform Fee A Early Encashment Charge B</p>	<p><i>Underlying Fund</i> charges C</p>	<p>E.g. management fee and performance fee</p>
<p>Policy charges</p>	<p>Ongoing Platform Fee A Early Encashment Charge B</p>				
<p><i>Underlying Fund</i> charges C</p>	<p>E.g. management fee and performance fee</p>				
<p>7. Loyalty bonus D</p>	<p>You may be entitled to loyalty bonus subject to conditions. Please refer to the “Bonus” section in the principal brochure for details of loyalty bonus.</p>				
<p>8. Partial withdrawal and early surrender</p>	<p>You may request to make partial withdrawal or early surrender your policy subject to conditions and any applicable Early Encashment Charge. You may also lose your entitlement to loyalty bonus. If you choose to fully surrender your policy early, you may not get back the full amount of contribution you pay. Your personalized illustration will provide an indication of the policy <i>Surrender Values</i> 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 SunFortune for details including the risk factors.

- **Credit and insolvency risks** – This product is an insurance policy issued by Sun Life. Your investments and insurance protection are subject to the credit risks of Sun Life.
- **No ownership over assets** – The contribution you pay towards your ILAS policy, and any investments made by Sun Life in the Underlying Funds, will become and remain the assets of Sun Life. You do not have any rights or ownership over any of those assets. Your recourse is against Sun Life only.
- **Insurance benefits are at risk** – As your death benefit is linked to the performance of the investment-linked funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your contribution paid and may not be sufficient for your individual needs.
- **Market risks** – Return of this ILAS policy is contingent upon the performance of the Underlying Funds corresponding to the investment-linked funds you selected and therefore there is a risk of capital loss.
- **Some investment-linked funds have higher risks** – The investment-linked funds available under this product can have very different features and risk profiles. Some may be of high risk.
 - Investment-linked funds linked to derivative funds have high exposure to financial derivative instruments which may lead to a high risk of significant loss.
 - Some investment-linked funds 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** – Partial withdrawal from the policy, may significantly reduce the value of the ILAS policy while all fees and charges are still deductible. Poor performance of the Underlying Funds may further magnify your investment losses. You are not allowed to pay subsequent lump sum contribution to your ILAS policy. If the value of your ILAS policy drops to zero, your ILAS policy will be terminated early and you could lose all your contribution paid and benefits.
- **Foreign exchange risks** – The investment returns of your ILAS policy may be subject to foreign exchange risks as some of the Underlying Funds may be denominated in a currency which is different from that of your ILAS policy.
- **Early surrender / withdrawal penalty** – This ILAS policy is designed to be held for a long term period. Early surrender or withdrawal of the policy may result in a significant loss of principal and/or bonuses awarded. Poor performance of Underlying Funds may further magnify your investment losses, while all charges are still deductible.

Is there any guarantee?

This ILAS policy does not have any guarantees. You may not get back the full amount of contribution 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 contributions) (Note 1)		
	10 years	15 years	20 years
Ongoing Platform Fee (net of bonuses) A - D	12.03% ↘ equivalent to 1.13% of <u>Policy Value</u> per year	14.01% ↘ equivalent to 0.86% of <u>Policy Value</u> per year	16.05% ↘ equivalent to 0.72% of <u>Policy Value</u> per year
Total	12.03%	14.01%	16.05%

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

Policy charges payable to Sun Life

Platform fee										
	Applicable rate	When and how the charges are deducted								
Ongoing Platform Fee A	<p>Ongoing Platform Fee = Applicable percentage x <u>Policy Value</u></p> <p>The applicable percentage under the respective policy year is listed as follows:</p> <table border="1"> <thead> <tr> <th>Policy year</th> <th>Applicable percentage</th> </tr> </thead> <tbody> <tr> <td>1st - 5th</td> <td>1.5% per annum (i.e. 1.5% ÷ 12 per month)</td> </tr> <tr> <td>6th - 9th</td> <td>1.2% per annum (i.e. 1.2% ÷ 12 per month)</td> </tr> <tr> <td>10th and thereafter</td> <td>0.9% per annum (i.e. 0.9% ÷ 12 per month)</td> </tr> </tbody> </table>	Policy year	Applicable percentage	1 st - 5 th	1.5% per annum (i.e. 1.5% ÷ 12 per month)	6 th - 9 th	1.2% per annum (i.e. 1.2% ÷ 12 per month)	10 th and thereafter	0.9% per annum (i.e. 0.9% ÷ 12 per month)	It will be deducted from the <u>Policy Value</u> on the 1 st <u>Working Day</u> of each policy month while the ILAS policy is in effect by redeeming notional units of investment-linked funds in proportion to the value of each investment-linked fund.
Policy year	Applicable percentage									
1 st - 5 th	1.5% per annum (i.e. 1.5% ÷ 12 per month)									
6 th - 9 th	1.2% per annum (i.e. 1.2% ÷ 12 per month)									
10 th and thereafter	0.9% per annum (i.e. 0.9% ÷ 12 per month)									

Charge on early surrender or partial withdrawal

Early Encashment Charge

B

If you surrender your policy or partially withdraw your *Policy Value* in the first 5 policy years, an Early Encashment Charge will apply.

The Early Encashment Charge is calculated as follows:

(i) Partial withdrawal of the *Policy Value*:

The aggregate amount of all requested withdrawals during the first 5 policy years that is subject to Early Encashment Charge will be capped at your single contribution.

$$\begin{array}{c} \text{Early Encashment Charge} \\ = \\ \text{Requested withdrawal amount*} \\ \times \\ \text{applicable percentage} \end{array}$$

* For each partial withdrawal request, Early Encashment Charge will apply to the requested withdrawal amount, subject to a maximum of:

- (a) single contribution less the aggregate amount of all previous requested withdrawals (if any); and
- (b) zero, whichever is higher.

(ii) Surrender of policy:

The aggregate amount of *Policy Value* upon surrender and all previous requested withdrawals during the first 5 policy years that is subject to Early Encashment Charge will be capped at your single contribution.

$$\begin{array}{c} \text{Early Encashment Charge} \\ = \\ \text{Policy Value\# upon surrender of policy} \\ \times \\ \text{applicable percentage} \end{array}$$

For surrender of policy, Early Encashment Charge will apply to the *Policy Value*, subject to a maximum of:

- (a) single contribution less the aggregate amount of all previous requested withdrawals (if any); and
- (b) zero, whichever is higher.

You can check the single contribution, latest aggregate amount of all previous requested withdrawals and the *Policy Value* from time to time by logging on to Sun Life client digital platform (web version or app version) or by calling our client service hotline.

The applicable percentage depends on the date your duly completed and signed form of your partial withdrawal or surrender request is received by us. It is shown as follows:

Within policy year	Applicable percentage
1 st	5%
2 nd	4%
3 rd	3%
4 th	2%
5 th	1%
6 th and thereafter	Not Applicable

Please refer to the "Fees and charges" section in the Product Brochure for the illustrative examples for the calculation of Early Encashment Charge.

(i) Partial withdrawal of the *Policy Value*:

The Early Encashment Charge will be deducted from the requested withdrawal amount before the net amount is paid to you.

(ii) Surrender of policy:

The Early Encashment Charge will be deducted from the *Policy Value* before the *Surrender Value* is paid to you.

Sun Life reserves the right to vary the policy charges or imposes new charges with at least 1 month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

Underlying funds charges

Underlying Funds corresponding to the investment-linked funds 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 Underlying 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 this policy and get back your original investments (subject to market value adjustment) within the earlier of 21 calendar days immediately following the day of delivery of the policy or issue of a notice to you or your representative. Such notice should inform you of, among other things, the availability of the policy and expiry date of the cooling-off period.
- You have to tell us by giving a written notice of cancellation. Such notice must be signed by you and received directly by Sun Life at G/F, Cheung Kei Center Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon or email to hk_csd@sunlife.com.
- You may get back the amount you paid, or less if the value of the investment-linked funds chosen has gone down.

Additional information

- You should read the principal brochure of **SunFortune** and the offering documents of the Underlying Funds, which are available from Sun Life upon request, for details of the product features, risks and charges.

Insurance company's information

Sun Life Hong Kong Limited

Address: G/F, Cheung Kei Center Tower B,
No. 18 Hung Luen Road, Hunghom, Kowloon

Phone: 2103 8928
Fax: 2103 8938
Email: hk_csd@sunlife.com
Website: sunlife.com.hk

Important

- Sun Life is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including **SunFortune** 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.
- This statement is intended to be distributed in Hong Kong only and shall not be construed as an offer to sell, or a solicitation to buy, or a provision of any insurance product outside Hong Kong. Sun Life does not offer or sell any insurance product in any jurisdictions outside of Hong Kong in which such offering or sale of the insurance product is illegal under the laws of such jurisdictions.

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 single contribution of USD125,000 (equivalent to HKD1,000,000 at an exchange rate of USD1 to HKD8);
 - (c) you hold your ILAS policy for 10, 15 and 20 years respectively;
 - (d) there is no early partial 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 *Policy Value*) in respect of the total platform fee (net of all non-discretionary bonuses) levied under this ILAS policy.

PRINCIPAL BROCHURE – PRODUCT BROCHURE

The offering documents of **SunFortune** consist of this Principal Brochure (comprising this Product Brochure and the Investment-Linked Fund Guide) and the Product Key Facts Statement. This Product Brochure was issued and should be read in conjunction with the other parts of the offering documents. **SunFortune** is classified under Class C - Linked Long-term Business as defined in the Insurance Ordinance.

Words that are italicized and underlined in this Product Brochure are defined terms. Please refer to the “Glossary” section at the end of this Product Brochure for definitions.

Important information:

1. **SunFortune** is an investment-linked assurance scheme, which is a life insurance policy issued by Sun Life Hong Kong Limited (“the Company”, “we” or “us”). Its benefit is linked to the performance of the Underlying Funds corresponding to the investment-linked funds you selected from time to time. It is not a bank savings product. Your investments are subject to the credit risks of the Company. Policy owner is referred to as “you” throughout this Product Brochure.
2. The contribution you pay towards the policy, and any investments made by the Company in the Underlying Funds corresponding to the investment-linked funds you selected, will become and remain part of the assets of the Company. You do not have any rights or ownership over any of these assets. Your recourse is against the Company only.
3. Your potential returns on investments are calculated by the Company based on the performance of the Underlying Funds. Due to the various fees and charges levied on **SunFortune**, the returns on your policy may be lower than the returns on the Underlying Funds.
4. Your policy is subject to an Early Encashment Charge of up to 5% of your single contribution for the first 5 years. It is only suitable for investors who are prepared to hold the investment for a long term period.
5. If you are not prepared to hold your policy for at least 4 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.
6. Early surrender, termination or partial withdrawal of the policy may result in a significant loss of your investment and principal as well as bonuses awarded. Poor performance of Underlying Funds may further magnify your investment losses, while all fees and charges are still deductible.
7. You are not allowed to pay subsequent lump sum contribution to your policy. If the value of your policy drops to zero, your policy will be terminated early and you could lose all your contribution paid and benefits.
8. Although **SunFortune** is a life insurance policy, because your death benefit is linked to the performance of the Underlying Funds corresponding to the investment-linked funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your contribution paid and may not be sufficient for your individual needs.
9. The investment-linked funds available under **SunFortune** can have very different features and risk profiles. Some may be of high risk. Underlying Funds available for selection are listed in the Investment-Linked Fund Guide. These Underlying Funds are authorized by the Securities and Futures Commission (“SFC”) pursuant to the Code on Unit Trusts and Mutual Funds (“UT Code”). You should read the relevant offering documents of the Underlying Funds prior to making any investment decision. The offering documents are available from the Company upon request.

10. Investments involve risks and past performance is not indicative of future performance. Each investment-linked fund is subject to market value fluctuations and to the risks inherent in all investments. The price of notional units of or the income from any investment-linked fund may go down as well as up.
11. You should not purchase this product unless you understand it and its suitability for your needs has been explained to you. The final decision is yours. You should read the offering documents of **SunFortune** and the Underlying Funds, which are available from the Company upon request, for details prior to making any investment decision.
12. **SunFortune** has been authorized by the SFC. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This Product Brochure is not a contract of insurance. Please refer to the policy provisions for the terms and conditions governing **SunFortune**.

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SunFortune

SunFortune is a long-term investment-linked insurance plan combining life insurance coverage and an investment element that exposes you to a range of investment-linked funds. Under **SunFortune**, the issue age of the insured ranges from 15 days to 80 years and issue age of the policy owner must be 18 years or above. The benefit term of **SunFortune** is to the insured's age of 100. Age is determined by the age on last birthday of the insured and policy owner respectively.

Your contribution

Single contribution

The single contribution is the amount paid by you for your policy. The policy currency is US dollars. The minimum amount of your single contribution is USD4,000 and the maximum is subject to underwriting requirements. No subsequent lump sum contribution is allowed for the same policy.

The single contribution is credited to your policy by allocating notional units of the investment-linked fund(s) of your choice as soon as practicable at the Offer Price of the corresponding investment-linked fund(s) on the next Valuation Date following Policy Start Date. The notional units allocated are solely for the purpose of determining the Policy Value. For details, please refer to the "Investment-linked funds for your selection" section.

You have the flexibility to pay for your contribution in either US dollars ("USD") or HK dollars ("HKD"). If your payment currency is HKD, it will be converted to USD 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 rates. Therefore, your contribution in HKD will be subject to volatility due to fluctuations in exchange rates between currencies. You may refer the latest exchange rate from our website at <https://www.sunlife.com.hk> or contact us.

The investment returns on your policy may be subject to foreign exchange risks as some of the Underlying Funds may be denominated in a currency different from that of your policy. Please note that the units allocated to your policy are notional and solely for the purpose of determining the value of your policy. The investment returns on your policy are also subject to fees and charges of the policy. Hence, any returns you receive under the policy may be lower than the returns on the investment-linked funds you selected.

Life protection

Your protection

SunFortune provides you with coverage up to the insured's age of 100 (determined by the age on last birthday). In the event that the insured dies while this policy is in effect and before the policy maturity date (please refer to "Maturity benefit" under the "Access to your money" section for policy maturity date), a death benefit amount equal to 105% of your Policy Value will be paid provided that you haven't selected the continuation option. Please refer to the "Continuation option" under "Legacy planning" section for details.

If the insured dies by suicide, whether sane or insane, within 1 year after the Policy Start Date which is the date the policy is issued and becomes effective, the suicide proceed equal to the Policy Value will be paid provided that you haven't selected the continuation option. Please refer to the "Continuation option" under "Legacy planning" section for details. Moreover, if there is a change of insured under the change of insured option and the new insured commits suicide within 1 year after the effective date of the change of insured, the suicide proceed equal to the Policy Value will be paid.

For the details of change of insured, please refer to "Unlimited change of insured option" under "Legacy planning" section.

To make a claim of death benefit or suicide proceed, you have to submit a duly completed and signed claim form together with satisfactory proof of death of the insured to us. Any documents of death claim received by us after 5:30pm will be deemed as received on the next Working Day. The death benefit or suicide proceed will be calculated based on the Policy Value that is determined by the next Valuation Date following our receipt of insured's satisfactory proof of death. The death benefit or suicide proceed will be paid in a lump sum as soon as practicable within 31 calendar days after our receipt of duly completed and signed claim form together with insured's satisfactory proof of death, unless the payment of such death benefit or suicide proceed is deferred under exceptional circumstances as set out in the "Exceptional circumstances" section. The payment will be made by us as soon as possible after the cessation of such exceptional circumstances. No interest will be payable on the death benefit or suicide proceed in respect of the period between our receipt of your death claim and the date of payment (including any payment which has been deferred under exceptional circumstances).

Illustrative example for the calculation of death benefit

The below example is hypothetical and for illustrative purposes only.

Client has a **SunFortune** policy with Policy Start Date on September 1, 2023 and single contribution of USD80,000. Unfortunately, insured passed away due to accident on September 30, 2025.

The Company received duly completed and signed claim form together with satisfactory proof of death of the insured before 5:30pm on October 31, 2025.

The Policy Value with the Valuation Date of November 1, 2025 is USD100,000

The amount of death benefit payable

⊖ USD100,000 × 105%

⊖ USD105,000

Although SunFortune is a life insurance policy, because your death benefit is linked to the performance of the Underlying Funds corresponding to the investment-linked funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your contribution paid and may not be sufficient for your individual needs due to poor performance of the investment-linked funds.

Investment-linked funds for your selection

We offer a range of investment-linked funds for you to choose from – each is linked to an Underlying Fund with different investment objectives, features and risk profiles. Use our Risk Profile Questionnaire to determine your risk tolerance level to choose the investment-linked fund mix that suits you best. For more information of investment-linked funds, please refer to the Investment-Linked Fund Guide, which forms part of the offering documents of **SunFortune**. For details of Underlying Funds, please refer to their offering documents which are available by us upon your request. If you are in doubt, please seek professional advice.

A range of investment-linked funds

SunFortune features a suite of investment-linked funds that provide you with exposure to Underlying Funds include bonds, equities and money market funds with various risk-and-return characteristics.

We may add new investment-linked funds or temporarily close existing investment-linked funds for the notional unit allocation and/or redemption or terminate existing investment-linked funds or merge existing ones to another ones from time to time. If an investment-linked fund will be temporarily closed for notional unit allocation and/or redemption or terminated or merged, the Company will provide you with at least 1 month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements. For the details of arrangement, please refer to "Investment-linked fund closure or termination or merger" under "General information".

Allocation of contribution

Your contribution will be used to allocate the notional units of the investment-linked fund(s) of your choice as soon as practicable at the Offer Price of the corresponding investment-linked fund(s) on the next Valuation Date following Policy Start Date. The notional units of investment-linked funds allocated to the policy are for determining the Policy Value.

Based on your investment strategy, you can provide us your Contribution Allocation Instruction with a maximum of 20 investment-linked funds by allocating a minimum of 5% of your contribution to each investment-linked fund you have chosen. The percentage of each investment-linked fund allocation must be an integer. After the Policy Start Date, there is no maximum number of investment-linked funds held under the policy. We currently have no minimum investment amount requirement for any of the investment-linked funds. If there are any changes in the maximum number of investment-linked funds or minimum percentage allocation for your contribution allocation, or minimum investment amount for each investment-linked fund, the Company will provide you with at least 1 month's prior written notice.

- **The Company will invest the contribution received from you into the Underlying Funds corresponding to the investment-linked funds selected by you for the Company's asset liability management.**
- **The contribution you pay towards the policy, and any investments made by the Company in the Underlying Funds corresponding to the investment-linked funds you selected, will become and remain part of the assets of the Company. You do not have any rights or ownership over any of these assets. Your recourse is against the Company only.**
- **The Policy Value will be calculated by the Company based on the performance of the selected Underlying Funds corresponding to the investment-linked funds from time to time. Ongoing fees and charges will continue to be deducted from the Policy Value.**
- **Due to the various fees and charges levied on SunFortune, the returns on your policy as a whole may be lower than the returns on the Underlying Funds corresponding to the investment-linked funds you selected.**

Free investment-linked fund switching

You can adjust your investment mix to match changes in your risk preference at any time by switching your investment-linked funds whenever you identify appropriate investment opportunities. Although there is no minimum switching amount, the switching-in amount is subject to a minimum of 5% of your switching amount for each switching-in investment-linked fund you have chosen. Number of switching between investment-linked funds is unlimited and no switching charges will be imposed.

You can submit your switching request to us at or before 4:00pm on a Working Day via a form (or electronic form) specified by us, any switching request received by us after 4:00pm will be deemed as received on the next Working Day.

Upon receipt of the duly completed switching request, we will first redeem the notional units of the switching-out investment-linked fund(s) at Bid Price on the next Valuation Date following receipt of such switching request by us. Then, we will allocate the notional units of the switching-in investment-linked fund(s) as soon as practicable at Offer Price as of the same Valuation Date of switching-out investment-linked fund(s). If such day is not a Valuation Date of the switching-in investment-linked fund(s), Offer Price as of the next Valuation Date of switching-in investment-linked fund(s) following such day will be applied to perform the switching-in. Please also refer to "Exceptional circumstances" section for details of exceptional circumstances under which valuation, allocation or redemption of notional units of an investment-linked fund may be suspended or deferred without prior notice.

The Company reserves the right to change the switching procedures or minimum switching amount, or minimum allocation percentage of the switching-in amount with at least 1 month's prior written notice. No bid-offer spread of the investment-linked funds is imposed by the Company. However, you should note that some Underlying Funds of the investment-linked funds may have bid-offer spread. For more information, you may refer to the offering documents of the Underlying Funds which are available from the Company upon request.

Access to your money

Partial withdrawal

Should the need arise, you can submit a completed and signed request form to make a partial withdrawal from your investment-linked fund(s) at any time, subject to any applicable Early Encashment Charge and the following conditions, by specifying the dollar amount / the number of notional units you want to redeem from the chosen investment-linked fund(s):

- (1) the minimum amount per partial withdrawal is currently USD500; and
- (2) At the time of assessing the eligibility of your partial withdrawal request, the balance of Policy Value immediately after deducting the requested withdrawal amount must not be less than USD2,000.

If your partial withdrawal request does not fulfil the conditions (1) and (2) above, your request will be rejected and we will notify you accordingly. The current minimum requirements as described above may be changed by the Company from time to time. Should there be any change, the Company will provide you with at least 1 month's prior written notice.

- **Partial withdrawal will be subject to an Early Encashment Charge of up to 5% of the requested withdrawal amount during the first 5 policy years. Please refer to the "Fees and charges" section for the illustrative example and details of the calculation mechanism of Early Encashment Charge.**
- **Please note that any cash withdrawal may result in a significant loss of your principal and a reduction in your Policy Value. As a result, the death benefit and loyalty bonus payable may also be reduced.**
- **Your policy will be terminated if the Policy Value drops to zero and you cannot pay additional contribution to the policy.**

You can submit your partial withdrawal request to us at or before 4:00pm on a Working Day via a form specified by us, any partial withdrawal request received by us after 4:00pm will be deemed as received on the next Working Day. We will approve your partial withdrawal request if the conditions (1) and (2) above are fulfilled. The notional units of the investment-linked fund(s) you selected to withdraw will be redeemed at the Bid Price as of the next Valuation Date following our receipt of your duly completed and signed form.

Under normal circumstances, we will pay you as soon as practicable within 15 Working Days after our receipt of your duly completed and signed form of your partial withdrawal request, unless the payment of such withdrawal amount is deferred under certain exceptional circumstances as set out in the "Exceptional circumstances" section. The payment will be made by us as soon as possible after the cessation of such exceptional circumstances. No interest will be payable in respect of the period between our receipt of your duly completed and signed form and the date of payment (including any payment which has been deferred under exceptional circumstances). Once your partial withdrawal request is approved by us, it cannot be cancelled. Moreover, you cannot repay any previously withdrawn amount back into the policy by way of contribution.

Illustrative example for calculation of partial withdrawal

The below example is hypothetical and for illustrative purposes only.

1st partial withdrawal is made during 4th policy year

Single contribution:	<i>Policy Value:</i>	Requested withdrawal amount:	Aggregate amount of all previous requested withdrawals:	Applicable percentage of Early Encashment Charge* in 4 th policy year
USD125,000	USD148,614	USD20,000	USD0	2%

Requested withdrawal amount subject to Early Encashment Charge*:

Early Encashment Charge will apply to the requested withdrawal amount, subject to a maximum of the following amount:

- (a) single contribution \ominus the aggregate amount of all previous requested withdrawals; and
- (b) zero, whichever is higher.

i.e. (a) USD125,000 \ominus USD0; and (b) USD0, whichever is higher \ominus USD125,000

As the requested withdrawal amount is USD20,000 (<USD125,000), requested withdrawal amount subject to Early Encashment Charge \ominus USD20,000.

Early Encashment Charge*

$$\ominus \text{Requested withdrawal amount subject to Early Encashment Charge} \times \text{applicable percentage} \quad \ominus \text{USD20,000} \times 2\% \quad \ominus \text{USD400}$$

Actual withdrawal amount you receive:

$$\ominus \text{Requested withdrawal amount} \ominus \text{Early Encashment Charge} \quad \ominus \text{USD20,000} \ominus \text{USD400} \quad \ominus \text{USD19,600}$$

Policy Value after withdrawal

$$\ominus \text{Policy Value} \ominus \text{requested withdrawal amount} \quad \ominus \text{USD148,614} \ominus \text{USD20,000} \quad \ominus \text{USD128,614}$$

* Please refer to the "Fees and charges" section for details of the calculation mechanism and the applicable percentage of Early Encashment Charge.

Maturity benefit

This policy will mature on the Policy Anniversary which coincides with or immediately follows the insured's 100th birthday. If the insured is alive upon the maturity of the policy, we will redeem all notional units of the investment-linked funds under the policy at Bid Price as of the next Valuation Date following the policy maturity date and pay you the Policy Value as soon as practicable within 15 Working Days after the policy maturity date, unless the payment of such Policy Value is deferred under exceptional circumstances as set out in the "Exceptional circumstances" section. The payment will be made by us as soon as possible after the cessation of such exceptional circumstances. No interest will be payable in respect of the period between the policy maturity date and the date of payment (including any payment which has been deferred under exceptional circumstances). The policy and all benefits will be terminated on the maturity date.

Surrender

You may surrender the policy in exchange for the full payment of your Surrender Value which is equal to your Policy Value less any applicable Early Encashment Charge by submitting a completed and signed request form to us. The Early Encashment Charge is up to 5% of the Policy Value during the first 5 policy years (please refer to the "Fees and charges" section for details).

You can submit your surrender request to us at or before 4:00pm on a Working Day via a form specified by us, any surrender request received by us after 4:00pm will be deemed as received on the next Working Day. All notional units of the investment-linked fund(s) in the policy will be redeemed at the Bid Price as of the next Valuation Date following our receipt of duly completed and signed form of your surrender request. We will pay the Surrender Value to you by cheque or other means stated in the form specified by us. Under normal circumstances, we will pay you the Surrender Value as soon as practicable within 15 Working Days after our receipt of your duly completed and signed form of your surrender request, unless the payment of such Surrender Value is deferred under exceptional circumstances as set out in the "Exceptional circumstances" section. The payment will be made by us as soon as possible after the cessation of such exceptional circumstances. No interest will be payable in respect of the period between our receipt of your duly completed and signed form and the date of payment (including any payment which has been deferred under exceptional circumstances).

SunFortune is designed to be held for a long-term period. Early surrender or withdrawal of the policy may result in a significant loss of your principal and/or bonus awarded. Poor performance of Underlying Funds may further magnify your investment losses, while all fees and charges are still deductible.

Termination of your policy

Your policy will be terminated upon the occurrence of the earliest of the following:

1. Upon maturity of your policy
2. Upon surrender of your policy
3. When the policy lapses if Policy Value drops to zero
4. When the death claim is approved by us
5. When the policy is cancelled during the cooling-off period

Below payment will be payable upon policy termination:

- For point 1 above: The Policy Value will be paid to you.
- For point 2 above: The Surrender Value will be paid to you.
- For point 3 above: No value will be paid to you as your policy is terminated with the Policy Value equal to zero.
- For point 4 above: The death benefit will be paid to the beneficiary(ies).
- For point 5 above: Any contribution and levy paid will be refunded less any market value adjustment (if any).

For the avoidance of doubt, Early Encashment Charge is only applicable to policy termination due to occurrence as point 2 above. Once your policy is terminated, all benefits under your policy will be terminated.

- **The Policy Value may drop to zero due to a number of factors, including without limitation, partial withdrawal, deduction of fees and charges and/or poor performance of the Underlying Funds. Your policy will be terminated immediately if Policy Value drops to zero. You are reminded to check your Policy Value from time to time by logging on to our client digital platform (web version or app version) or by calling our client service hotline.**
- **SunFortune is a single contribution policy and no subsequent lump sum contribution is allowed for the same policy.**

Bonus

Loyalty bonus

You will be entitled with a loyalty bonus (if any) at the end of the 5th policy year and at the end of every policy year thereafter while your policy is in effect if your Monthly Average Policy Value exceeds USD25,000 at the relevant policy year end. The loyalty bonus is calculated based on the designated percentages applicable to the respective tiers of your Monthly Average Policy Value (please refer to Table 1 below). The Monthly Average Policy Value is calculated as follow:

Monthly Average Policy Value = sum of the Policy Value (as at the beginning of each policy month after deducting the monthly Ongoing Platform Fee) of each of the past 60 policy months immediately preceding the end of the policy year when the loyalty bonus becomes payable ÷ 60

For example, Monthly Average Policy Value for the purpose of determining the amount of loyalty bonus at the end of the 5th policy year will be the average of Policy Value as of the beginning of a policy month (after deducting the monthly Ongoing Platform Fee) from the 1st policy month to the 60th policy month. Starting from the end of the 5th policy year, you can refer to the Monthly Average Policy Value shown in your quarterly statements or check such information by logging on to our client digital platform (web version or app version) or by calling our client service hotline.

Loyalty bonus will be credited to your policy through the allocation of additional notional units of investment-linked funds as soon as practicable following your latest Contribution Allocation Instruction using the Offer Price as of the next Valuation Date following the relevant policy year end when loyalty bonus will become payable. **The bonus will form a part of the Policy Value and will therefore be subject to the relevant fees and charges as set out in the “Fees and charges” section.** Once you are entitled with a loyalty bonus, your entitlement will not be affected even if the policy is terminated before the loyalty bonus is credited to the policy. The loyalty bonus will not be clawed back once it is credited to your policy.

Table 1

Tier of <u>Monthly Average Policy Value</u> (USD)	Loyalty bonus rates (as a percentage of respective tiers of <u>Monthly Average Policy Value</u>)	
	The end of 5 th - 9 th policy year	The end of 10 th policy year and thereafter
First 25,000	0.0%	0.0%
Next 25,000	0.1%	0.5%
Next 50,000	0.3%	0.7%
Any amount in excess of 100,000	0.6%	0.9%

Note: The loyalty bonus rates above do not represent the rates of return or performance of the investments under your policy.

Illustrative example for calculation of loyalty bonus

The below example is hypothetical and for illustrative purposes only.

1. Monthly Average Policy Value at the end of 5th policy year is USD200,000.

Tier of <u>Monthly Average Policy Value</u>	Loyalty bonus to be payable (<u>Monthly Average Policy Value</u> x loyalty bonus rate)
First USD25,000	USD25,000 × 0.0% = USD0
Next USD25,000	USD25,000 × 0.1% = USD25
Next USD50,000	USD50,000 × 0.3% = USD150
USD100,000 (amount in excess of USD100,000)	USD100,000 × 0.6% = USD600

Total amount of loyalty bonus to be payable at the end of 5th policy year:

USD0 + USD25 + USD150 + USD600 = USD775

2. Monthly Average Policy Value at the end of 10th policy year is USD300,000.

Tier of <u>Monthly Average Policy Value</u>	Loyalty bonus to be payable (<u>Monthly Average Policy Value</u> x loyalty bonus rate)
First USD25,000	USD25,000 × 0.0% = USD0
Next USD25,000	USD25,000 × 0.5% = USD125
Next USD50,000	USD50,000 × 0.7% = USD350
USD200,000 (amount in excess of USD100,000)	USD200,000 × 0.9% = USD1,800

Total amount of loyalty bonus to be payable at the end of 10th policy year:

USD0 + USD125 + USD350 + USD1,800 = USD2,275

Legacy planning

Unlimited charge of insured option

You can change the insured according to your needs unlimited times after the 1st Policy Anniversary while the policy is in effect by submitting your request to us in our specified form, subject to our approval and any underwriting requirements, including but not limited to your insurable interest in the proposed new insured and insurability of the proposed new insured. Upon the change of insured, both proposed new insured and current insured must be alive and the age of the proposed new insured must be ranged from 15 days to 75 years (determined by the age on last birthday).

Once the change of insured option is exercised, the benefit term of the policy will be adjusted to the new insured's age of 100 (determined by the age on last birthday). Other than the change of insured and benefit term, there will be no changes to the policy (including the number of notional units of each investment-linked fund allocated, Policy Anniversary and Policy Start Date, calculation of fees and charges and loyalty bonus calculation of the policy).

Continuation option

To facilitate the continuation of your policy upon the death of insured, you may opt for the continuation option while the policy is in effect. In case of insured's death while the beneficiary is alive, this continuation option will become effective on the date of the death of the insured. The policy will be continued with the beneficiary becoming the new insured and/or the new policy owner, subject to any underwriting requirements including but not limited to the insurability of the new insured and/or new policy owner, according to the following:

- (a) Beneficiary will become both the new insured and new policy owner if:
 - (i) the insured and the policy owner are the same person; or
 - (ii) the insured is not the policy owner, and the policy owner and the insured die at the same time or policy owner dies within 14 days after the insured's death.
- (b) Beneficiary will become the new insured if:
 - (i) the insured is not the policy owner and the policy owner is still alive; or
 - (ii) the insured is not the policy owner and the policy owner dies after 14 days from the insured's death. In this case, the ownership of the policy shall vest in the policy owner's estate.

Once the beneficiary becomes the new insured and/or the new policy owner, the benefit term of the policy will be adjusted to the new insured's age of 100 (determined by the age on last birthday) and a new beneficiary should be designated. Other than the change of insured and beneficiary and/or policy owner and benefit term, there will be no changes to the policy (including the number of notional units of each investment-linked fund allocated, Policy Anniversary and Policy Start Date, calculation of fees and charges and loyalty bonus calculation of the policy).

At the time we determine whether the beneficiary shall become the new policy owner and if either one of the following events occurs:

- (a) The beneficiary is unable or unwilling to take up the ownership of the policy; or
- (b) The beneficiary or the legal guardian of the beneficiary (if such beneficiary is aged under 18 as determined by the age on last birthday) is unable to satisfy the client due diligence, other applicable laws, regulations and guidelines,

then we will pay the death benefit in a lump sum to the beneficiary and the policy will be terminated.

Designation of contingent policy owner option

You may designate a contingent policy owner while the policy is in effect by submitting your request to us in our specified form, subject to our approval and any underwriting requirements including but not limited to the proposed contingent policy owner's insurable interest in the insured. The proposed contingent policy owner must be age of 18 or above (determined by the age on last birthday).

In case of policy owner's death while the insured is alive and the policy is in effect, subject to our approval, the contingent policy owner will become the new policy owner and has the ownership of the policy.

At the time we determine whether the contingent policy owner shall become the new policy owner and if either one of the following events occurs:

- (a) The contingent policy owner is unable or unwilling to take up the ownership of the policy; or
- (b) The contingent policy owner is unable to satisfy the client due diligence, other applicable laws, regulations and guidelines,

then the ownership of this policy shall vest in the policy owner's estate after his / her death.

Fees and charges

The Company reserves the right to vary policy charges or impose new fees and charges with at least 1 month's prior written notice or a shorter notice period in compliance with the relevant regulatory requirements. The policy charges are payable to the Company.

Policy Charges										
	Applicable rate	When and how to deduct								
Ongoing Platform Fee	<p>Ongoing Platform Fee \ominus Applicable percentage \times <i>Policy Value</i></p> <p>The applicable percentage under the respective policy year is listed as follows:</p> <table border="1"> <thead> <tr> <th>Policy year</th> <th>Applicable percentage</th> </tr> </thead> <tbody> <tr> <td>1st - 5th</td> <td>1.5% per annum (i.e. 1.5% \div 12 per month)</td> </tr> <tr> <td>6th - 9th</td> <td>1.2% per annum (i.e. 1.2% \div 12 per month)</td> </tr> <tr> <td>10th and thereafter</td> <td>0.9% per annum (i.e. 0.9% \div 12 per month)</td> </tr> </tbody> </table>	Policy year	Applicable percentage	1 st - 5 th	1.5% per annum (i.e. 1.5% \div 12 per month)	6 th - 9 th	1.2% per annum (i.e. 1.2% \div 12 per month)	10 th and thereafter	0.9% per annum (i.e. 0.9% \div 12 per month)	<p>It will be deducted from the <i>Policy Value</i> on the 1st <i>Working Day</i> of each policy month while the policy is in effect by redeeming notional units of investment-linked funds in proportion to the value of each investment-linked fund.</p>
Policy year	Applicable percentage									
1 st - 5 th	1.5% per annum (i.e. 1.5% \div 12 per month)									
6 th - 9 th	1.2% per annum (i.e. 1.2% \div 12 per month)									
10 th and thereafter	0.9% per annum (i.e. 0.9% \div 12 per month)									
Early Encashment Charge	<p>If you surrender your policy or partially withdraw your <i>Policy Value</i> in the first 5 policy years, an Early Encashment Charge will apply.</p> <p>The Early Encashment Charge is calculated as follows:</p> <p>(i) Partial withdrawal of the <i>Policy Value</i>:</p> <p>The aggregate amount of all requested withdrawals during the first 5 policy years that is subject to Early Encashment Charge will be capped at your single contribution.</p> <div style="text-align: center; border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Early Encashment Charge</p> <p>\ominus</p> <p>Requested withdrawal amount*</p> <p>\times</p> <p>applicable percentage</p> </div> <p>* For each partial withdrawal request, Early Encashment Charge will apply to the requested withdrawal amount, subject to a maximum of:</p> <p>(a) single contribution less the aggregate amount of all previous requested withdrawals (if any); and</p> <p>(b) zero, whichever is higher</p>	<p>(i) Partial withdrawal of the <i>Policy Value</i>:</p> <p>The Early Encashment Charge will be deducted from the requested withdrawal amount before the net amount is paid to you.</p>								

Policy Charges																
	Applicable rate	When and how to deduct														
Early Encashment Charge	<p>(ii) Surrender of policy:</p> <p>The aggregate amount of <u>Policy Value</u> upon surrender and all previous requested withdrawals during the first 5 policy years that is subject to Early Encashment Charge will be capped at your single contribution.</p> <div style="text-align: center; border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Early Encashment Charge</p> $\begin{array}{c} \ominus \\ \text{Policy Value}^{\#} \text{ upon surrender of policy} \\ \otimes \\ \text{applicable percentage} \end{array}$ </div> <p># For surrender of policy, Early Encashment Charge will apply to the <u>Policy Value</u>, subject to a maximum of:</p> <p>(a) single contribution less the aggregate amount of all previous requested withdrawals (if any); and</p> <p>(b) zero, whichever is higher.</p> <p>You can check the single contribution, latest aggregate amount of all previous requested withdrawals and the <u>Policy Value</u> from time to time by logging on to our client digital platform (web version or app version) or by calling our client service hotline.</p> <p>The applicable percentage depends on the date your duly completed and signed form of your partial withdrawal or surrender request is received by us.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Within policy year</th> <th style="background-color: #0056b3; color: white;">Applicable percentage</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1st</td> <td style="text-align: center;">5%</td> </tr> <tr> <td style="text-align: center;">2nd</td> <td style="text-align: center;">4%</td> </tr> <tr> <td style="text-align: center;">3rd</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">4th</td> <td style="text-align: center;">2%</td> </tr> <tr> <td style="text-align: center;">5th</td> <td style="text-align: center;">1%</td> </tr> <tr> <td style="text-align: center;">6th and thereafter</td> <td style="text-align: center;">Not Applicable</td> </tr> </tbody> </table>	Within policy year	Applicable percentage	1 st	5%	2 nd	4%	3 rd	3%	4 th	2%	5 th	1%	6 th and thereafter	Not Applicable	<p>(ii) Surrender of policy:</p> <p>The Early Encashment Charge will be deducted from the <u>Policy Value</u> before the <u>Surrender Value</u> is paid to you.</p>
Within policy year	Applicable percentage															
1 st	5%															
2 nd	4%															
3 rd	3%															
4 th	2%															
5 th	1%															
6 th and thereafter	Not Applicable															

Illustrative examples for the calculation of Early Encashment Charge

The below example is hypothetical and for illustrative purposes only.

Single contribution: USD100,000

(i) 1st withdrawal during 2nd policy year

<i>Policy Value:</i>	Requested withdrawal amount:	Aggregate amount of all previous requested withdrawals:	Applicable percentage of Early Encashment Charge:
USD107,511	USD20,000	USD0	4%

Requested withdrawal amount subject to Early Encashment Charge:

Early Encashment Charge will apply to the requested withdrawal amount, subject to a maximum of the following amount:

- (a) single contribution \ominus the aggregate amount of all previous requested withdrawals; and
- (b) zero, whichever is higher.

i.e. (a) USD100,000 \ominus USD0; and (b) USD0, whichever is higher \ominus USD100,000

As the requested withdrawal amount is USD20,000 (<USD100,000), requested withdrawal amount subject to Early Encashment Charge \ominus USD20,000.

Early Encashment Charge:

$$\ominus \text{ Requested withdrawal amount subject to Early Encashment Charge } \otimes \text{ applicable percentage} \quad \ominus \text{ USD20,000 } \otimes \text{ 4\%} \quad \ominus \text{ USD800}$$

Actual withdrawal amount you receive:

$$\ominus \text{ Requested withdrawal amount } \ominus \text{ Early Encashment Charge} \quad \ominus \text{ USD20,000 } \ominus \text{ USD800} \quad \ominus \text{ USD19,200}$$

Policy Value after withdrawal:

$$\ominus \text{ Policy Value } \ominus \text{ requested withdrawal amount} \quad \ominus \text{ USD107,511 } \ominus \text{ USD20,000} \quad \ominus \text{ USD87,511}$$

(ii) 2nd withdrawal during 3rd policy year

<u>Policy Value:</u>	Requested withdrawal amount:	Aggregate amount of all previous requested withdrawals:	Applicable percentage of Early Encashment Charge:
USD90,038	USD81,000	USD20,000	3%

Requested withdrawal amount subject to Early Encashment Charge:

Early Encashment Charge will apply to the requested withdrawal amount, subject to a maximum of the following amount:

- (a) single contribution \ominus the aggregate amount of all previous requested withdrawals; and
 (b) zero, whichever is higher.

i.e. the maximum of: (a) USD100,000 \ominus USD20,000; and (b) USD0; whichever is higher \ominus USD80,000

As the requested withdrawal amount is USD81,000 ($>$ USD80,000), requested withdrawal amount subject to Early Encashment Charge \ominus USD80,000

Early Encashment Charge:

$$\ominus \text{ Requested withdrawal amount subject to Early Encashment Charge} \times \text{applicable percentage} \quad \ominus \text{ USD80,000} \times 3\% \quad \ominus \text{ USD2,400}$$

Actual withdrawal amount you receive:

$$\ominus \text{ Requested withdrawal amount} \ominus \text{ Early Encashment Charge} \quad \ominus \text{ USD81,000} \ominus \text{ USD2,400} \quad \ominus \text{ USD78,600}$$

Policy Value after withdrawal:

$$\ominus \text{ Policy Value} \ominus \text{ requested withdrawal amount} \quad \ominus \text{ USD90,038} \ominus \text{ USD81,000} \quad \ominus \text{ USD9,038}$$

(iii) Surrender the policy during 4th policy year

<u>Policy Value:</u>	Aggregate amount of all previous requested withdrawals:	Applicable percentage of Early Encashment Charge:
USD8,000	\ominus USD20,000 \oplus USD81,000 \ominus USD101,000	2%

Policy Value subject to Early Encashment Charge:

Early Encashment Charge will apply to the Policy Value, subject to a maximum of the following amount:

- (a) single contribution \ominus the aggregate amount of all previous requested withdrawals; and
 (b) zero, whichever is higher.

i.e. (a) USD100,000 \ominus USD101,000; and (b) USD0, whichever is higher \ominus USD0

i.e. No Policy Value is subject to an Early Encashment Charge

Early Encashment Charge

No Early Encashment Charge will apply to the Policy Value:

\ominus USD0 \times 2%

\ominus USD0

Surrender Value you receive:

Policy Value \ominus Early Encashment Charge

\ominus USD8,000 \ominus USD0

\ominus USD8,000

The policy will then be terminated.

Underlying Fund Charges

You should note that the Underlying Funds of the investment-linked funds may have separate charges which comprise the management fee, performance fee, bid-offer spread and/or switching fee. You do not pay these fees directly – they will be deducted and such deduction will be reflected in the unit price of the Underlying Funds. For details, please refer to the corresponding prospectuses of the Underlying Funds, which are available from the Company upon request.

General information

Investment-linked fund valuation

Notional units of an investment-linked fund are redeemed from the policy at a *Bid Price*. An *Offer Price* is the price at which notional units of an investment-linked fund are allocated to the policy. We will determine the net asset value, *Offer Price* and *Bid Price* of an investment-linked fund on each *Valuation Date* of the investment-linked fund. The *Offer Price* and *Bid Price* of such investment-linked fund on each *Valuation Date* of such investment-linked fund shall be the same as the offer price and bid price of a unit or share of such *Underlying Fund* on such *Valuation Date*. The number of notional units of any investment-linked fund to be allocated or redeemed is rounded to the nearest 4 decimal places. Any remaining balance or shortfall after such rounding will be borne or absorbed by the Company.

To obtain the *Bid Price(s)* and *Offer Price(s)* of the investment-linked fund(s), please contact your financial consultant or visit the Company's website at sunlife.com.hk.

Borrowing powers

The investment-linked fund has no borrowing powers. For details of the borrowing restrictions of the *Underlying Funds*, please refer to the corresponding prospectuses of the *Underlying Funds*, which are available from the Company upon request.

Exceptional circumstances

During exceptional circumstances beyond the Company's control (including but not limited to the closure or suspension of dealings on a principal stock exchange in which the underlying assets / investments of the *Underlying Funds* are listed; the suspension of valuations or dealings in the investments attributable to the investment-linked fund(s); and relevant *Underlying Fund* investment manager(s) being unable to complete the purchase or redemption of any unit due to legal or regulatory reasons), we may temporarily suspend or defer the valuation, allocation or redemption of notional units of an investment-linked fund without prior notice.

In the event of these exceptional circumstances, we may delay switching of investment-linked funds, suspend any policy withdrawal and/or defer the payment of any *Surrender Value* or benefits under the policy. Our right of suspension and deferment as described in this section will only last for as long as the event that triggers the aforementioned exceptional circumstances described still exists. Should the event cease to exist, any valuation, allocation or redemption of notional units and the determination of any benefits under the policy will be carried out as soon as practicable based on the *Offer Price* or *Bid Price* on the first dealing day of the relevant investment-linked fund(s) after the cessation of such event. No interest is payable for the period during which the payment is deferred.

Financial statement

You will receive a financial statement every quarter or at any frequency as determined by the Company after your policy starts, summarizing the most updated insurance coverage and value of your chosen investment-linked funds. Should there be any change in the frequency of financial statements issued, the Company will provide you with written notice. Additional financial statements can be obtained upon request and are currently free of charge.

Important documents

The following documents will be provided and explained to you by your financial consultant before your **SunFortune** enrollment. It is important for you to understand the plan before making any application.

- Financial Needs Analysis, Risk Profile Questionnaire, Important Facts Statement and Applicant's Declarations.
- Product Key Facts Statement and Principal Brochure (including this Product Brochure and Investment-Linked Fund Guide).
- An Illustration Document based on your specific case showing the projected *Surrender Value* and the projected death benefits of the plan.
- The Terms and Conditions of the policy. A provisional specimen is available upon request and free of charge.

Cooling-off period

Upon submitting a written request to us, your policy will be cancelled. Any single contribution and levy paid* will be refunded less any market value adjustment ("MVA")** (if any) and cash withdrawal amount(s) that has / have been paid to you (if any), provided that:

- (i) Your written request for cancellation must be signed by you and received directly by our office (G/F, Cheung Kei Center Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon) or via email (hk_csd@sunlife.com) within 21 calendar days after the delivery of the policy or an issue of a notice informing you / your representative about the availability of the policy and the expiry date of the cooling-off period, whichever is earlier; and
- (ii) No refunds will be made if any payment from the Company under the policy has been made prior to your request for cancellation.

* Please note that the levy does not form part of any single contribution. The levy will be refunded without any MVA.

** A MVA is a downward adjustment that applied to the total single contribution paid based on the movement of the chosen investment-linked fund(s) should you request to cancel the policy within the cooling-off period. The MVA is calculated solely with reference to the loss that the Company might make in realizing the value of any assets acquired through investing the total single contribution you paid to us.

Application

To apply for **SunFortune**, you need to complete the relevant application forms and sign the (i) Financial Needs Analysis, (ii) Risk Profile Questionnaire, (iii) Important Facts Statement, (iv) Applicant's Declarations and (v) Illustration Document, then return them to us with the required contribution. All applications are subject to the Company's approval and acceptance.

You should not purchase this product unless you understand it and its suitability for your needs has been explained to you. The final decision is yours.

Ownership and assignments

You may change the ownership of this policy or assign this policy by filing a written request with us in the form specified by us and complying with such requirements as we may prescribe from time to time. Any such change will be valid only if the change is approved by us in writing during the lifetime of the insured and policy owner and all applicable requirements (including without limitation requirements on client due diligence and requirements relating to the "Foreign Account Tax Compliance Act") are complied with to our satisfaction. In addition, if any assignment will be subject to the consent of any beneficiary with an irrevocable interest in this policy, such beneficiary's consent is required.

Surrender your plan

To surrender your plan at any time, please complete and return a Policy Service Form, which can be obtained from the Company, and enclose your policy document. **You may be subject to an Early Encashment Charge, and as a result, you may suffer a substantial loss.** Please refer to the "Fees and charges" section and the "Surrender" section for details.

Investment-linked fund closed or termination or merger

In the event of an investment-linked fund temporary closure for the notional unit allocation and/or redemption or termination or merger, you will be given at least 1 month's prior written notice with the temporary closure or termination or merger arrangement or a shorter notice period in compliance with the relevant regulatory requirements.

Governing law

SunFortune is issued under and will be interpreted in accordance with the laws of the Hong Kong Special Administrative Region. The parties of this policy have the right to bring legal action in Hong Kong courts.

No Rights of Third Parties

Your policy is excluded from the application of the Contracts (Rights of Third Parties) Ordinance ("the Ordinance"). As such, other than the Company and the policyholder, any person or entity who is not a party to your policy (e.g., a third-party beneficiary) shall have no rights under the Ordinance to enforce any terms under your policy.

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 on 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 is not otherwise exempt from doing so (referred to as a "non-participating FFI") will incur 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 executed an inter-governmental agreement ("IGA") to facilitate compliance by FFIs in Hong Kong with FATCA and to create 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 **SunFortune**. Sun Life Hong Kong Limited is a participating FFI. Sun Life Hong Kong Limited is committed to complying with FATCA. To do so, Sun Life Hong Kong Limited requires you to:

- (i) provide to Sun Life Hong Kong Limited certain information including, as applicable, your U.S. identification details (e.g. name, address, the U.S. federal taxpayer identifying numbers, etc.); and
- (ii) consent to Sun Life Hong Kong Limited 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”), Sun Life Hong Kong Limited is required to report the “aggregate information” of account balances, payment amounts and number of non-consenting U.S. accounts to the IRS.

Sun Life Hong Kong Limited 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 Sun Life Hong Kong Limited 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 Sun Life Hong Kong Limited 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 non-participating FFI, in which case Sun Life Hong Kong Limited 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

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the “Amendment Ordinance”) came into force on June 30, 2016. This is the legislative framework for the implementation in Hong Kong of the standard for Automatic Exchange of Financial Account Information (“AEOI”). The AEOI requires financial institutions (“FIs”) in Hong Kong to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with the FIs and report such information to the Inland Revenue Department (“IRD”) for the purpose of AEOI exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in an AEOI partner jurisdiction(s) with which Hong Kong has a Competent Authority Agreement (“CAA”) in force; however, FIs may further collect information relating to residents of other jurisdictions.

As a FI in Hong Kong, Sun Life Hong Kong Limited must comply with the following requirements (collectively, the “AEOI requirements”) of the Amendment Ordinance to facilitate the IRD in automatically exchanging certain financial account information as provided for thereunder:

- (i) to identify non-excluded “financial accounts” (“NEFAs”);
- (ii) to identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (iii) to determine the status of certain NEFA-holding entities which the law regards as “passive non-financial institutions” and identify the jurisdiction(s) in which their “controlling persons” reside for tax purposes;
- (iv) to collect certain other information on NEFAs (“Required Information”) and their account holders; and
- (v) to furnish certain Required Information to the IRD.

Your policy is an NEFA and is thus subject to AEOI requirements. Required Information regarding your policy and you and your controlling persons, if applicable, will need to be collected from you and submitted to the IRD. In addition, if any Required Information submitted by you to Sun Life Hong Kong Limited subsequently changes, Sun Life Hong Kong Limited will need you to submit the relevant documents including, but not limited to, an updated self-certification form, within 30 days of such change in circumstances.

If you are in any doubt as to your obligations regarding the AEOI requirements, you should seek independent professional advice.

Tax consequences

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

Authorization

This plan has been authorized by the SFC. SFC authorization is not a recommendation or endorsement of a scheme, nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors, nor is it an endorsement of its suitability for any particular investor or class of investors.

Responsibility

The Company accepts full responsibility for the accuracy of the information contained in the offering documents and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading. The SFC does not take any responsibility for the contents of the offering documents, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the offering documents.

Enquiries and complaints

Should you have any enquiries or complaints regarding **SunFortune**, please contact us by calling our client service hotline at 2103 8928, by fax at 2103 8938, or by email at hk_csd@sunlife.com. You can also send your enquiries and complaints to us by mail to G/F, Cheung Kei Center Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon.

Glossary

Bid Price means the price at which a notional unit of an investment-linked fund shall be redeemed and is equal to the bid price of the corresponding Underlying Fund.

Contribution Allocation Instruction means your written instruction regarding how you would like your contribution to be allocated to the various investment-linked funds offered under the policy from time to time.

Monthly Average Policy Value is the sum of the Policy Value (as at the beginning of each policy month after deducting the monthly Ongoing Platform Fee) of each of the past 60 policy months immediately preceding the end of the policy year when the loyalty bonus becomes payable divided by 60. For the information of the Monthly Average Policy Value, you can refer to your quarterly statements or check such information by logging on to our client digital platform (web version or app version) or by calling our client service hotline.

Offer Price means the price at which a notional unit of an investment-linked fund shall be allocated and is equal to the offer price of the corresponding Underlying Fund.

Policy Anniversary means every anniversary since the Policy Start Date.

Policy Value is the total value of investment-linked funds under your policy from time to time. The value of each investment-linked fund equals the total number of notional units of the investment-linked fund allocated to your policy multiplied by the Bid Price of such investment-linked fund, with any applicable monthly Ongoing Platform Fee deducted by way of reduction of notional units of investment-linked funds. For the information of the latest Policy Value, you can log on to our client digital platform (web version or app version) or call our client service hotline.

Policy Start Date means the date on which the policy is issued and becomes effective.

Surrender Value is equal to the Policy Value of your policy less the Early Encashment Charge (if applicable).

Underlying Funds mean the underlying funds corresponding to the investment-linked funds available for selection and are listed in the Investment-Linked Fund Guide. These are funds authorized by the SFC pursuant to the UT Code.

Valuation Date, in respect of each Investment-Linked Fund offered under this Policy, means the dealing day of the Underlying Fund corresponding to that investment-linked fund on which we will determine the Offer Price and Bid Price of the notional units for such investment-linked fund. For the avoidance of doubt, if such dealing day is not a Working Day, it refers to the immediately succeeding Working Day.

Working Day means a day except Saturdays, Sundays and public holiday that we normally open for business in Hong Kong.

Investments involve risks and past performance is not indicative of future performance. Investment returns may rise as well as fall. Currency movements and market conditions may affect the value of your investments. You are advised to read the relevant offering documents and the corresponding prospectuses of the Underlying Funds for further details and risk factors prior to making any investing decisions.

All client applications are subject to the approval and acceptance of the Company.

Sun Life Hong Kong Limited

(Incorporated in Bermuda with limited liability)

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