

***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.***

Quick facts

Name of insurance company	:	Chow Tai Fook Life Insurance Company Limited ("CTF Life")
Single or regular premium	:	Single premium
Policy term	:	Up to 100 years old of the insured
Minimum premium payment term	:	Not applicable
Period with surrender charge ("early redemption charge")	:	The first 4 Policy Years
Policy currency	:	USD / HKD
Life insurance protection level	:	<input checked="" type="checkbox"/> Low protection <input type="checkbox"/> High protection
Governing law of policy	:	Laws of Hong Kong Special Administrative Region

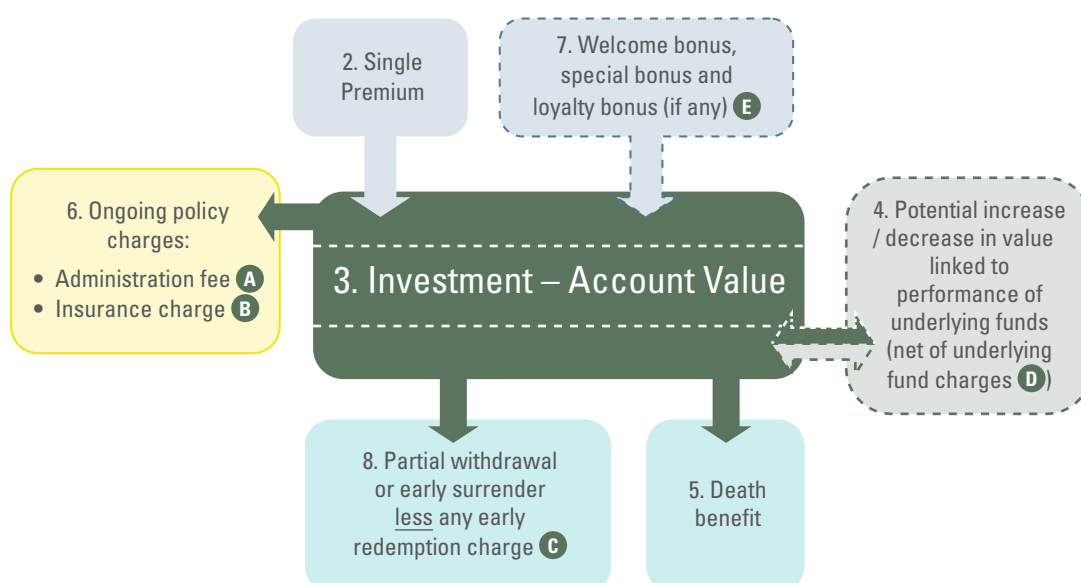
Things to know before you invest

- 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 CTF Life.
- This ILAS policy is subject to an early redemption charge of up to 5% of the Account Value for first 4 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 choices; and • limited insurance protection.
2. Premiums	The premiums you pay will be used by CTF Life to allocate notional units of investment choices you select and will go towards accretion of the value of your ILAS policy.
3. Investment	The range of investment choices (and corresponding underlying funds) available for selection under this product are listed in the investment guide. They are funds authorised by the SFC pursuant to the Code on Unit Trusts and Mutual Funds ("UT Code"). You may switch between investment choices over time to suit your investment plan and risk profile. The features and risk profiles of the underlying funds can be found in their offering documents which are available from CTF Life upon request.

<p>4. Investment returns</p>	<p>The value of your ILAS policy is calculated by CTF Life based on the performance of your selected investment choices (linked to the corresponding underlying funds). Your return under this ILAS policy is subject to various fees and charges levied by CTF Life (see item 6 below) and will be lower than the return of the corresponding underlying funds.</p>				
<p>5. Insurance protection</p>	<p>The amount of death benefit payable under the policy will be equal to the higher of (i)105% of the Account Value; and (ii) the amount of single premium paid less the aggregate amount of all withdrawals made.</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>				
<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="424 701 1461 869"> <tr> <td data-bbox="424 701 791 813"> <p>Policy charges</p> </td> <td data-bbox="791 701 1461 813"> <p>Administration fee A – platform fee Insurance charge B Early redemption charge C</p> </td> </tr> <tr> <td data-bbox="424 813 791 869"> <p>Underlying fund charges D</p> </td> <td data-bbox="791 813 1461 869"> <p>E.g. management fee and performance fee</p> </td> </tr> </table> <p>Separately, the managers of the underlying funds may pay up to 70% of their annual management fees as a rebate to CTF Life subject to various terms and conditions.</p>	<p>Policy charges</p>	<p>Administration fee A – platform fee Insurance charge B Early redemption charge C</p>	<p>Underlying fund charges D</p>	<p>E.g. management fee and performance fee</p>
<p>Policy charges</p>	<p>Administration fee A – platform fee Insurance charge B Early redemption charge C</p>				
<p>Underlying fund charges D</p>	<p>E.g. management fee and performance fee</p>				
<p>7. Bonuses E</p>	<p>You may be entitled to welcome bonus, special bonus and loyalty bonus subject to conditions and claw back in certain events. Once the special bonus and loyalty bonus are entitled, these bonuses will be payable even if the policy is terminated before they are credited to the policy. For details, please refer to section of “Welcome Bonus”, “Special Bonus” and “Loyalty Bonus” in Product Guide of Legend 2.</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 early redemption charges. 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 Legend 2 for details including the risk factors.




- **Credit and insolvency risks** – This product is an insurance policy issued by CTF Life. Your investments and insurance protection are subject to the credit risks of CTF Life.
- **No ownership over assets** – All premiums you pay towards your ILAS policy, and any investments made by CTF Life in the underlying funds, will become and remain the assets of CTF Life. You do not have any rights or ownership over any of those assets. Your recourse is against CTF Life only.
- **Insurance benefits are at risk** – As your death benefit is linked to the performance of the investment choices you selected from time to time, your 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 underlying funds corresponding to the investment choices you selected and therefore there is a risk of capital loss.
- **Some investment choices have higher risk** – The investment choices available under this product can have very different features and risk profiles. Some may be of high risk. **For example,**
 - Investment choices linked to derivative funds have high exposure to financial derivative instruments which may lead to a high risk of significant loss.
 - Some investment choices 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** – 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. 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 some of the underlying investments may be denominated in a currency which is different from that of your ILAS policy.

Is there any guarantee?

This ILAS policy does not have any guarantees. 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	14.5%  (equivalent to 1.33% of Account Value per year)	20.1%  (equivalent to 1.16% of Account Value per year)	26.1%  (equivalent to 1.07% of Account Value per year)
Insurance charge B	0.2%	0.3%	0.7%
Total	14.6%	20.4%	26.8%

The platform fee and insurance charge may not add up to the total of the fees due to rounding differences. 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 CTF Life

Platform fee		
	Annualised rate	When and how the charges are deducted
Administration fee A	1.5% per annum (i.e. 0.125% per month) of Account Value on each Policy Monthly Anniversary until the termination of the policy.	Deducted from Account Value on each Policy Monthly Anniversary by the reduction of notional units in proportion to the value of the investment choices selected for the policy.

Cost of insurance protection		
Insurance charge B		
	<p>A monthly insurance charge is payable on Policy Date and each subsequent Policy Monthly Anniversary until the termination of the policy.</p> <p>The monthly insurance charge is calculated as follows: Monthly insurance charge = Sum at risk × annual cost of insurance rate ÷ 12</p> <p>Sum at risk is the excess of death benefit over the Account Value. The monthly insurance charge is not to be less than zero.</p>	Deducted from Account Value on the Policy Date and each subsequent Policy Monthly Anniversary by the reduction of notional units in proportion to the value of the investment choices selected for the policy.

The cost of insurance rate will be determined by us based on the sex and attained age of the insured as at the beginning of each Policy Year. The prevailing cost of insurance rates are shown in the table below.

Annual cost of insurance rates

Attained age of the insured	Annual cost of insurance rate	
	Female	Male
10	0.151%	0.16%
20	0.075%	0.113%
30	0.089%	0.107%
40	0.155%	0.204%
50	0.332%	0.474%
60	0.718%	1.289%
70	2.144%	3.372%
80	7.073%	9.714%
90	16.532%	21.024%
99	47.679%	56.456%

Remarks: Above is the indicative cost of insurance rate per annum and is for illustrative purpose only. For the insurance charge amount applicable to you, you can consult your insurance intermediary or refer to your personalised illustration.

Charge on early surrender or partial withdrawal

Early redemption charge

Charge as a percentage of the redemption amount due to:
(i) partial withdrawal; or
(ii) policy surrender.

During Policy Year	Early redemption charge rates
1	5.0%
2	3.5%
3	2.0%
4	0.5%
5 and onwards	Nil

- 1) For partial withdrawal:
Early Redemption Charge =
Requested withdrawal amount ×
Applicable early redemption charge rate
as set out in the table above
- 2) For policy surrender:
Early Redemption Charge =
Account Value upon policy surrender ×
Applicable early redemption charge rate
as set out in the table above

During the first 4 Policy Years, deducted from
(i) Account Value upon surrender; or
(ii) requested withdrawal amount when a partial withdrawal is made (i.e. only the net amount will be paid to you).

CTF Life may vary the charges or imposes new charges with not less than 1 month prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements. For the deduction of administration fee and insurance charge, if the Policy Date or Policy Monthly Anniversary is not a Valuation Date, we will cancel notional units on the next available Valuation Date after the Policy Date or Policy Monthly Anniversary.

Underlying funds charges

Underlying funds corresponding to the investment choices 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 and less partial withdrawal (if any)) within 21 calendar days immediately following the day of delivery of the policy or a cooling-off notice to you or your nominated representative (whichever is the earlier). 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 CTF Life by giving a written notice. Such notice must be signed by you and received directly by CTF Life at 7/F NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon.
- You may get back the amount you paid (subject to deduction of any partial withdrawal), or less if the value of the investment choices chosen has gone down.

Additional information

- You should read the principal brochure of Legend 2 and the offering documents of the underlying funds, which are available from CTF Life upon request, for details of the product features, risks and charges.

Insurance company's information

Chow Tai Fook Life Insurance Company Limited
Address: 7/F NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon

Phone: 2866 8898
Email: ctflife.csc@ctflife.com.hk
Website: www.ctflife.com.hk

Important

CTF Life is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including the Legend 2 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 – refers to the value of the policy account, which is equal to the sum of value of all investment choice(s) of the policy, while the value of each investment choice is equal to the number of notional units of the investment choice multiplied by the respective Unit Price of the investment choice. Please visit our website at www.ctflife.com.hk to obtain the Unit Prices and you can also obtain the latest information relating to the balance of investment choice(s) and the Account Value by logging on to BOSS customer e-Service (web page version) or CTF Life (mobile app version).

Cut-Off Time – which is currently 3:00pm (Hong Kong time) as determined by us from time to time, we will process a transaction request on the same Working Day upon receiving the duly completed form and relevant documents required in the form submitted to us at or before Cut-Off Time. Any transaction request received after Cut-Off Time on any Working Day will be deemed as having been received on the next Working Day.

Day of Receipt – the Working Day when a request for death claim of the insured, switching, surrender or withdrawal in satisfactory form is received by us. If we receive a request for death claim of the insured, switching, surrender or withdrawal before the Cut-Off Time, the Day of Receipt shall be the same Working Day when we receive the request. If we receive a request after the Cut-Off Time, the Day of Receipt shall be deemed as received on the next Working Day.

Policy Anniversary – for each Policy Year while this policy remains in force, the anniversary of the Policy Date (in case there is no such same date in the relevant calendar year, the last day of the same month in that year as the month in which the Policy Date falls).

Policy Date – the date in which this policy becomes effective, and Policy Date is also the date from which Policy Anniversaries, Policy Monthly Anniversary, Policy Years, Policy Months are determined.

Policy Month – while this policy remains in force, the month commencing with the Policy Date and ending on the day before the first Policy Monthly Anniversary, or any following month commencing with a Policy Monthly Anniversary and ending on the day before the next Policy Monthly Anniversary.

Policy Monthly Anniversary – refer to the same day as the Policy Date for each succeeding calendar month (in case there is no such same day, the last day of such month).

Policy Year – the period of 12 Policy Months from the Policy Date and each subsequent and consecutive period of 12 Policy Months from each Policy Anniversary for the first and each subsequent Policy Year.

Unit Price – the value on any relevant Valuation Date of notional unit of a particular investment choice, and is equal to the offer price of the corresponding underlying fund.

Valuation Date – every Working Day designated by the Company from time to time or any day on which a transaction may be carried out. In the event of the occurrence of any exceptional circumstances, beyond our reasonable control which renders it impracticable to carry out a transaction on a particular Valuation Date, we shall have the discretion to decide another applicable Valuation Date to determine Unit Price and / or the net asset value of an investment choice.

Working Day – any day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong but excluding any gale warning day or black rainstorm warning day within the meaning of section 71(2) of the Interpretation and General Clauses Ordinance (Cap.1) of the Laws of Hong Kong.

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 premium of HKD1,000,000 per annum;
 - (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 Account Value) in respect of the total applicable platform fee (net of all non-discretionary bonuses) levied under this ILAS policy.

Legend 2

Investment-linked
Assurance Scheme
Series



INSURER

Chow Tai Fook Life Insurance Company Limited

(Incorporated in Bermuda with limited liability)

Registered Address:

Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

Head Office and Business Address:

7/F NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon

Website:

www.ctflife.com.hk

Please contact us by following means or contact your consultant for details of Legend 2, enquiries and complaints:

- Customer Service Hotline: 2866 8898
- Fax: 2264 3222
- Email: ctflife.csc@ctflife.com.hk
- Post: 7/F NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon

The Principal Brochure consists of this Product Guide and the Investment Guide. The offering documents of Legend 2 comprise the Principal Brochure and the Product Key Facts Statement (collectively "Offering Documents"), and should be issued and read in conjunction with each other. The constitutive documents of Legend 2 comprise the policy provision and policy specifications. This Principal Brochure does not constitute a contract. Payment of any proceeds under the Legend 2 policy and the policy's features are subject to the provisions contained in the constitutive documents. Please refer to the constitutive documents for its terms and conditions. You may contact your consultant for a specimen copy of the constitutive documents free of charge.

Investment involves risks, and the value of investments may go up as well as down. Investment returns are not guaranteed. Past performance is not indicative of future performance.

This Investment-linked Assurance Scheme (ILAS) policy is excluded from the application of the Contracts (Rights of Third Parties) Ordinance ("the Ordinance"). Accordingly, other than the owner and CTF Life, any person or entity which is not a party to this ILAS policy (e.g. a third party beneficiary) shall have no rights under the Ordinance to enforce any of the terms of this ILAS policy.

Publication Date: July 2024

Issuer: Chow Tai Fook Life Insurance Company Limited

Important Notes:

1. Legend 2 is an insurance policy issued by Chow Tai Fook Life Insurance Company Limited ("CTF Life") with benefits linked to the performance of investment choice(s) selected by you. Your investments are subject to the credit risk of CTF Life.
2. All premiums you pay towards Legend 2, and any investments made by CTF Life in the underlying funds corresponding to the investment choices you selected, will become and remain part of the assets of CTF Life. You do not have any rights or ownership over any of those assets. Your recourse is against CTF Life only.
3. Your return on investments is calculated by CTF Life with reference to the performance of the underlying funds corresponding to the investment choices selected by you. The return of investments under Legend 2 shall be subject to the charges of Legend 2 and may be lower than the return of the corresponding SFC-authorized fund.
4. The investment choices available under Legend 2 can have very different features and risk profiles. Some may be of high risk. Please read the offering documents of the underlying funds involved, which will be made available upon request or downloaded at our website: www.ctflife.com.hk.
5. Legend 2 is designed to be held for a long term period. Early surrender or withdrawal of the policy within the first 4 Policy Years is subject to an early redemption charge and may result in a significant loss of principal and / or bonuses. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.
6. Investment involves risk. You should not purchase Legend 2 unless you understand it and your consultant has explained to you how it is suitable for you. The final decision is yours.
7. The investment returns of your policy may be subject to foreign exchange risks in the process of currency conversion in case that (1) some of the underlying funds are denominated in a currency which is different from that of your policy and / or (2) the premium you pay or the amount we pay to you is in a currency different from your policy currency.



Legend 2

Legend 2 is a single premium investment-linked assurance scheme and is classified as “Class C – linked long term business” plan under the Insurance Ordinance. It is offered by Chow Tai Fook Life Insurance Company Limited, an insurance company authorized under Insurance Ordinance in Hong Kong.

Please read this Product Guide in conjunction with the Investment Guide, Product Key Facts Statement, and offering documents of the underlying funds before you apply for Legend 2.

Please visit our website at www.ctflife.com.hk, to obtain the Product Guide, Investment Guide and Product Key Facts Statement of Legend 2, notices, announcements, financial reports and offering document of the underlying funds.

Should you require further information or assistance, please do not hesitate to contact your consultant or our customer service hotline at 2866 8898.

Product Features

Single Premium and Premium Allocation

The minimum single premium is US dollars (USD) 5,000 / HK dollars (HKD) 40,000 while the maximum single premium is subject to our underwriting requirements. Your premium will be used to allocate notional units of investment choice(s) to the policy account according to your allocation instruction.

At the time of policy issuance, allocation to each investment choice should be at least equal to 10% of the single premium paid and you can choose 10 investment choices at maximum. The above requirements are no longer applicable during the policy term after policy issuance. During the policy term, you can switch among the investment choices without number of times limitation, subject to switching requirements as stated in the section of **Switching**.

Legend 2 does not accept payment of any additional premium, if you would like to increase the premium contributions to Legend 2, you may consider applying for a new policy and it will subject to separate and independent fees and charges.

Units allocated to the policy are notional and are solely for the purpose of determining the Account Value. Account Value may drop to zero or below due to a number of factors, including without limitation, withdrawal, deduction of fees and charges and / or poor performance of the underlying funds, and in that case your policy may be terminated.

No Initial Charge

100% of your premium paid will be invested in your selected investment choice(s) without any initial charges and will be used to allocate notional units of investment choice(s) at the Unit Price on the 2nd Valuation Date after we have received such premiums. However, the policy will be subject to the relevant policy charges, please refer to the section of **Summary of Fees and Charges** for details.

No Bid-offer Spread on All Investment Choices

All of the investment choices have no bid-offer spread. As there is no bid-offer spread, the bid price and the offer price of an investment choice is equal to the Unit Price of the same investment choice. However, there are other applicable fees and charges at the underlying fund level charged by the relevant investment manager and at the policy level charged by CTF Life, please refer to the section of **Summary of Fees and Charges** for details. For valuation of investment choice, please refer to **Investment Guide** for details.

Death Benefit

A death benefit will be payable should the insured pass away while the policy is in force provided that the policy continuation option (i) has not been selected by the owner; or (ii) has been selected by the owner, but is not accepted by CTF Life. The amount of death benefit payable under the policy will be equal to the higher of (i) 105% of Account Value calculated on the Day of Receipt of request of death claim of the insured; and (ii) the amount of single premium paid less the aggregate amount of all withdrawals made. Please refer to the section of **Policy Continuation Option** for details.

Suicide Proceeds

While the policy is in force, if the initial insured commits suicide within the first Policy Year provided that the Policy Continuation Option (i) has not been selected by the owner; or (ii) has been selected by the owner, but is not accepted by CTF Life, the suicide proceeds will be the aggregate of:

- (i) A refund of all policy charges deducted; and
- (ii) The Account Value after deduction of the original amount of welcome bonus credited to the policy without adjustment in respect of (a) the investment gain or loss arising from the notional units of investment choice(s) allocated; and (b) the corresponding fees and charges that have been imposed on these notional units.

If the aggregate amount of all refunded policy charges and the Account Value is insufficient to deduct the original amount of welcome bonus credited to the policy, such aggregate amount will be deducted until it drops to zero and you will not be required to pay any remaining welcome bonus to us.

While the policy is in force and there was a change of new insured following the selection of the "Unlimited Change of Insured" option and / or the "Policy Continuation Option" by the owner, if the new insured commits suicide within 1st Policy Year from the effective date of the change of new insured provided that (i) a further policy continuation option has not been selected by the owner / new owner (as the case may be); or (ii) a further policy continuation option has been selected by the owner / new owner (as the case may be), but is not accepted by CTF Life, the suicide proceeds will be the aggregate of:

- (i) A refund of all policy charges deducted since the new insured becomes effective; and
- (ii) The Account Value after deduction of the original amount of special bonus and loyalty bonus (if any) credited to the policy since the new insured becomes effective without adjustment in respect of (a) the investment gain or loss arising from the notional units of investment choice(s) allocated; and (b) the corresponding fees and charges that have been imposed on these notional units.

If the aggregate amount of all refunded policy charges deducted since the new insured becomes effective and the Account Value is insufficient to deduct the original amount of special bonus and loyalty bonus (if any) credited to the policy since the new insured becomes effective, such aggregate amount will be deducted until it drops to zero and you will not be required to pay any remaining special bonus and loyalty bonus (if any) to us.

Payment of Death Benefit / Suicide Proceeds

We will process the death benefit / suicide proceeds claim on the Day of Receipt of death claim of the insured. The death benefit / suicide proceeds claim will be calculated based on the Unit Price of the investment choice(s) on the Day of Receipt of death claim of the insured. If the Day of Receipt of death claim of the insured is not a Valuation Date, we will calculate the death benefit / suicide proceeds on the first Valuation Date after the Day of Receipt of death claim of the insured. The beneficiary is expected to receive the death benefit / suicide proceeds within one month after the Day of Receipt of death claim of the insured. However, payment of death benefit / suicide proceeds may be delayed due to any exceptional circumstances which is beyond the control of CTF Life as set out in the section of **Exceptional Circumstances** of the Investment Guide. No interest will be payable by us for any pending payment of the death benefit / suicide proceeds. The payment will be carried out as soon as practicable after cessation of such exceptional circumstances. All our liabilities due under the policy will be discharged on payment of the death proceeds.

An insurance charge used to cover the insurance protection (i.e. to provide the above death benefit) will be deducted from the Account Value of your policy on a monthly basis. For details and illustrative example for the calculation of insurance charge, please refer to the section of **Summary of Fees and Charges**.

Although Legend 2 is a life insurance policy, because your death benefit is linked to the performance of the underlying funds corresponding to the investment choices you selected from time to time, any partial withdrawal or poor performance of the underlying funds may reduce the death benefit amount, which may be significantly less than the premium paid and may not be sufficient for your needs.

Important Notes

Please be aware of the following regarding your death benefit and the insurance charges:

- (i) Part of the fees and charges you pay that will be deducted from the Account Value of your policy will be used to cover the insurance charges for the life coverage. Please refer to the section of Summary of Fees and Charges for details.
- (ii) The insurance charges will reduce the amount that may be applied towards investment in the underlying funds selected.
- (iii) The insurance charges may increase significantly during the term of your policy due to factors such as age and investment losses, etc. This may result in significant or even total loss of your premium paid.
- (iv) If deduction of notional units for payment of all the ongoing fees and charges, including the insurance charges, causes the Account Value to fall to zero or below, your policy will terminate early and you could lose all your premium paid and benefits.
- (v) You should consult your consultant for details, such as how the charges may increase and could impact the Account Value of your policy.

Illustrative example for the calculation of death benefit

If the insured dies during the 12th Policy Month of the 6th Policy Year with no policy continuation option is elected and the Day of Receipt of death claim of the insured is at the end of the 6th Policy Year, the death benefit will be calculated as below:

Gender of insured	Male
Issue age of insured	40
Single premium paid A	USD150,000
Account Value on the Day of Receipt of death claim of the insured B	USD159,111
Aggregate amount of all withdrawals made before the Day of Receipt of death claim of the insured C	USD5,000
Death benefit	<p>= the higher of</p> <p>(1) 105% x USD159,111 (Account Value on the Day of Receipt of death claim of the insured B) and</p> <p>(2) USD150,000 (single premium paid A) – USD5,000 (aggregate amount of all withdrawals made before the Day of Receipt of death claim of the insured C)</p> <p>= the higher of</p> <p>(1) USD167,066.76 and</p> <p>(2) USD145,000</p> <p>= <u>USD167,066.76</u></p>

The above illustration is hypothetical and for illustrative purpose only.

Illustrative example for the calculation of suicide proceeds of initial insured within the first Policy Year from the effective date of policy

If the initial insured commits suicide during the 6th Policy Month of the 1st Policy Year with no policy continuation option is elected and the Day of Receipt of death claim of the insured is at the end of the 6th Policy Month, the policy will be terminated and suicide proceeds will be calculated as below:

Gender of insured	Male
Issue age of insured	40
Single premium paid	USD150,000
Account Value on the Day of Receipt of death claim of the insured A	USD151,239
Original amount of welcome bonus previously credited to the policy B	USD150
Total amount of policy charges deducted before the Day of Receipt of death claim of the insured C	USD1,140
Suicide proceeds	$= \text{USD151,239 (Account Value on the Day of Receipt of death claim of the insured A)} -$ $\text{USD150 (original amount of welcome bonus previously credited to the policy B) +}$ $\text{USD1,140 (total amount of policy charges deducted before the Day of Receipt of death claim of the insured C)}$ $= \underline{\text{USD152,229}}$

The above illustration is hypothetical and for illustrative purpose only.

Illustrative example for the calculation of suicide proceeds of new insured within the first Policy Year from the effective date of change of insured

If the change of insured is effective during the 12th Policy Month of the 10th Policy Year and the new insured commits suicide at the end of the 5th Policy Month of the 11th Policy Year which is also the Day of Receipt of death claim of the insured, the policy will be terminated and suicide proceeds will be calculated as below:

Gender of insured	Male
Attained age of new insured upon the effective date of change of insured	50
Single premium paid	USD150,000
Account Value on the Day of Receipt of death claim of the insured (A)	USD171,589
Original amount of special bonus and loyalty bonus credited to the policy since the effective date of change of insured (B)	USD1,027
Total amount of policy charges since the effective date of change of insured (C)	USD1,300
Suicide proceeds	$= \text{USD171,589 (Account Value on the Day of Receipt of death claim of the insured (A))} -$ $\text{USD1,027 (original amount of special bonus and loyalty bonus credited to the policy since the effective date of change of insured (B))} +$ $\text{USD1,300 (total amount of policy charges since the effective date of change of insured (C))}$ $= \underline{\underline{\text{USD171,862}}}$

The above illustration is hypothetical and for illustrative purpose only.

Partial Withdrawal

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

- (i) The minimum amount of each withdrawal request is USD600 / HKD4,800; and
- (ii) The minimum balance of the Account Value immediately after withdrawal is USD3,000 / HKD24,000; and
- (iii) Unless the entire holding in the investment choice is withdrawn, the minimum balance in each investment choice immediately after withdrawal is USD600 / HKD4,800.

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

You can obtain the latest information relating to the balance of investment choice(s) and the Account Value by logging on to BOSS customer e-Service (web page version) or CTF Life (mobile app version).

Partial withdrawal is free of charge after the 4th Policy Year. **If part of the Account Value is withdrawn within the first 4 Policy Years, an early redemption charge up to 5% of the requested withdrawal amount is applicable. The earlier the partial withdrawal is made, the higher the applicable early redemption charge rate will be imposed.** Please refer to the section of **Summary of Fees and Charges** for details.

We will process partial withdrawal on the Day of Receipt of partial withdrawal request. Once your request is processed, we will perform redemption of the notional units of the investment choice(s) which you would like to withdraw. The partial withdrawal amount will be calculated based on the Unit Price of the investment choice(s) on the next Valuation Date following the Day of Receipt of partial withdrawal request. Once the redemption is completed, we would pay you the partial withdrawal amount less any applicable early redemption charge within one month after the Day of Receipt of partial withdrawal request.

Payment of the withdrawal amount after early redemption charge (if any) may be delayed due to any exceptional circumstances which is beyond the control of CTF Life as set out in the section of **Exceptional Circumstances** of the Investment Guide. No interest will be payable by us for any pending payment of the amount withdraw amount after early redemption charge. The payment will be carried out as soon as practicable after cessation of such exceptional circumstances.

Withdrawal from the policy may result in a significant loss of principal and / or special bonus and loyalty bonus. Poor performance of underlying funds may further magnify your investment losses. Please note that withdrawal made reduces the Account Value and may lead to reduction in the death benefit, surrender value, special bonus and loyalty bonus or may even affect your entitlement to the special bonus. Since no additional premium is allowed while all charges are still deductible, it may also lead to termination of the policy if the Account Value drops to zero or below. Please refer to the sections of death benefit, surrender, special bonus and loyalty bonus for details.

Illustrative example for the calculation of partial withdrawal

If partial withdrawal is made at the end of the 11th Policy Month of the 3rd Policy Year, the early redemption charge and partial withdrawal amount payable will be calculated as below:

Gender of insured	Male
Issue age of new insured	40
Single premium paid	USD150,000
Account Value just before partial withdrawal A	USD156,608
Requested partial withdrawal amount B	USD5,000
Early redemption charge rate in the 3 rd Policy Year C	2.0%
Early redemption charge D	$= \text{USD5,000 (requested partial withdrawal amount B)} \times 2.0\% \text{ (early redemption charge rate in the 3}^{\text{rd}} \text{ Policy Year C)}$ $= \text{USD100}$
Partial withdrawal amount payable E	$= \text{USD5,000 (requested partial withdrawal amount B)} - \text{USD100 (early redemption charge D)}$ $= \text{USD4,900}$
Account Value after partial withdrawal	$= \text{USD156,608 (Account Value just before partial withdrawal A)} - \text{USD5,000 (requested partial withdrawal amount B)}$ $= \underline{\text{USD151,608}}$

The above illustration is hypothetical and for illustrative purpose only.

Switching

Legend 2 offers you the flexibility to formulate your investment portfolio. Switching between investment choices is free of charge. Unless the entire holding in the investment choice is switched, the minimum switching amount per instruction is USD600 / HKD4,800 and the remaining balance in each investment choice should be at least equal to USD600 / HKD4,800 immediately after a switch, otherwise, switching cannot be processed.

We will process switching on the Day of Receipt of switching request. We will perform the redemption of the notional units of investment choice(s) you selected to switch-out at the Unit Price on the next Valuation Date ("Redemption Amount") immediately following the Day of Receipt of switching request. We will allocate the above Redemption Amount at the Unit Price on any one of the following Valuation Dates to your selected switch-in investment choice(s):

- (i) If the Redemption Amount of an investment choice is less than HKD500,000 (designated amount), which is determined by us from time to time, we will allocate the Redemption Amount at the Unit Price on the next Valuation Date immediately following the Day of Receipt of switching request; and
- (ii) If the Redemption Amount of an investment choice is equal to or greater than HKD500,000 (designated amount), which is determined by us from time to time, we will allocate the Redemption Amount at the Unit Price on the next Valuation Date immediately after we have received the Redemption Amount.

You can obtain the latest information relating to the balance of investment choice(s) by logging on to BOSS customer e-Service (web page version) or CTF Life (mobile app version).

Switching process may be delayed due to any exceptional circumstances which is beyond the control of CTF Life as set out in the section of **Exceptional Circumstances** of the Investment Guide. The switching will be carried out as soon as practicable after cessation of such exceptional circumstances.

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

Welcome Bonus

To welcome you becoming an owner of Legend 2, we will offer you a welcome bonus for the single premium paid of USD25,000 / HKD200,000 or above.

Welcome bonus will be calculated according to the following formula:

Welcome bonus = single premium paid x welcome bonus rate (equals to 0.1%)

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

The welcome bonus will be allocated in the form of additional notional units of investment choice(s) at Unit Price according to your allocation instruction in our record on the 2nd Valuation Date after the receipt of premium.

The welcome bonus will then form part of the Account Value, therefore it is subject to the relevant fees and charges applicable to the policy. Please refer to the section of **Summary of Fees and Charges** for details.

The original amount of welcome bonus previously credited to your policy will be clawed back if you cancel the policy within the cooling-off period, please refer to the section of **Cooling-Off Period** for details.

The welcome bonus will be clawed back if the initial insured commits suicide within the first Policy Year and provided that the policy continuation option (i) has not been selected by the owner; or (ii) has been selected by the owner, but is not accepted by CTF Life. Regarding to the claw back, no adjustment on the welcome bonus in respect of (a) the investment gain or loss arising from the notional units of investment choice(s) allocated; and (b) the corresponding fees and charges that have been imposed on these notional units. Please refer to the section of **Death Benefit** for details.

Special Bonus

To reward you constantly, you will be entitled to a special bonus while the policy is in force, commencing from the end of the 5th Policy Year and each subsequent Policy Year provided that the Average Monthly Account Value at the end of the relevant Policy Year is USD20,000 / HKD160,000 or above.

The special bonus is calculated on a tiered basis and the bonus rates, which are applied to the Average Monthly Account Value as below:

Average Monthly Account Value	Special bonus rate to be applied to the tier amount of Average Monthly Account Value
The 1 st tier from over USD20,000 to USD50,000 / HKD160,000 to HKD400,000	0.1%
The 2 nd tier from over USD50,000 to USD100,000 / HKD400,000 to HKD800,000	0.2%
The 3 rd tier from over USD100,000 to USD150,000 / HKD800,000 to HKD1,200,000	0.3%
Any amount in excess of USD150,000 / HKD1,200,000	0.4%

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

Illustrative example for the calculation of special bonus

If the special bonus is payable at the end of the 5th Policy Year:

Single premium paid	USD150,000	
Average Monthly Account Value as of end of the 5 th Policy Year	USD155,203	
Special bonus rate	Average Monthly Account Value	Special bonus
Not applicable	USD20,000	USD0
0.1% (the 1 st tier)	USD30,000	USD30
0.2% (the 2 nd tier)	USD50,000	USD100
0.3% (the 3 rd tier)	USD50,000	USD150
0.4% (the 4 th tier)	USD5,203	USD20.81
Total	<u>USD155,203</u>	<u>USD300.81</u>

The above illustration is hypothetical and for illustrative purpose only.

The special bonus will be allocated in the form of additional notional units of investment choice(s) according to your latest allocation instruction in our record within one month after the end of the relevant Policy Year in which the special bonus is payable. The amount of the additional notional units of investment choice(s) will be calculated based on the Unit Price of the investment choice(s) on the available Valuation Date immediately before the date of credit of special bonus.

The special bonus will then form part of the Account Value, therefore it is subject to the relevant fees and charges applicable to the policy. Please refer to the section of **Summary of Fees and Charges** for details.

Once entitled, the special bonus will be payable even if the policy is terminated before the special bonus is credited to the policy. **Partial withdrawal from the policy account may result in a significant reduction in the Average Monthly Account Value and therefore may lead to a reduction in special bonus or may even affect your entitlement to the special bonus.**

The special bonus paid since new insured becomes effective will be clawed back if the new insured commits suicide within the 1st Policy Year from the effective date of the change of new insured while the policy is in force provided that (i) a further policy continuation option has not been selected by the owner / new owner (as the case may be); or (ii) a further policy continuation option has been selected by the owner / new owner (as the case may be), but is not accepted by CTF Life. Regarding to the claw back, no adjustment on the special bonus in respect of (a) the investment gain or loss arising from the notional units of investment choice(s) allocated; and (b) the corresponding fees and charges that have been imposed on these notional units. Please refer to the section of **Death Benefit** for details.

Loyalty Bonus

To express our appreciation for your commitment to Legend 2, you will be entitled to a loyalty bonus while the policy is in force commencing from the end of the 10th Policy Year and each subsequent Policy Year.

Loyalty bonus will be calculated according to the following formula:

Loyalty bonus = Average Monthly Account Value x loyalty bonus rate (equals to 0.4%)

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

Illustrative example for the calculation of loyalty bonus

If the loyalty bonus is payable at the end of the 10th Policy Year:

Single premium paid	USD150,000
Average Monthly Account Value as of the end of the 10 th Policy Year A	USD168,433
Loyalty bonus rate B	0.4%
Loyalty bonus	= USD168,433 (Average Monthly Account Value as of the end of the 10 th Policy Year A) x 0.4% (loyalty bonus rate B) = <u>USD673.73</u>

The above illustration is hypothetical and for illustrative purpose only.

The loyalty bonus will be allocated in the form of additional notional units of investment choice(s) according to your latest allocation instruction in our record within one month after the end of the relevant Policy Year in which the loyalty bonus is payable. The amount of the additional notional units of investment choice(s) will be calculated based on the Unit Price of the investment choice(s) on the available Valuation Date immediately before the date of credit of loyalty bonus.

The loyalty bonus will then form part of the Account Value, therefore it is subject to the relevant fees and charges applicable to the policy. Please refer to the section of **Summary of Fees and Charges** for details.

Once entitled, the loyalty bonus will be payable even if the policy is terminated before the loyalty bonus is credited to the policy. **Partial withdrawal from the policy account may result in a significant reduction in the Average Monthly Account Value and therefore may lead to a reduction in loyalty bonus.**

The loyalty bonus paid since new insured becomes effective will be clawed back if the new insured commits suicide within the 1st Policy Year from the effective date of the change of new insured while the policy is in force provided that (i) a further policy continuation option has not been selected by the owner / new owner (as the case may be); or (ii) a further policy continuation option has been selected by the owner / new owner (as the case may be), but is not accepted by CTF Life. Regarding to the claw back, no adjustment on the loyalty bonus in respect of (a) the investment gain or loss arising from the notional units of investment choice(s) allocated; and (b) the corresponding fees and charges that have been imposed on these notional units. Please refer to the section of **Death Benefit** for details.

Unlimited Change of Insured

After the 1st Policy Anniversary while the insured is alive and the policy is in force, you may change the insured for unlimited times free of charge in writing in our prescribed form subject to our underwriting requirements.

Changing the insured will not affect the number of notional units of the investment choice(s) in your policy and the Account Value. The Policy Date will remain the same after the change of insured takes effective while **the coverage period will be adjusted to the date of Policy Anniversary which is on the 100th birthday of the new insured or immediately following the 100th birthday of the new insured (whichever is applicable). The cost of insurance rate will be determined based on the new insured's sex and attained age.** The new insured must be 65 years of age (last birthday) or below and must not be older than the initial insured by 10 years or more at the time we receive your request.

The change of insured must be endorsed by the owner and proposed new insured. Both the new insured and the current insured must be alive and the policy is in force at the time the insured is changed. We shall cease to provide any coverage for the initial insured or the prior insured on our records (when applicable and as the case may be) from the effective date of the change of insured if the request for change of insured is approved by us.

Please refer to the section of **Death Benefit** for details on how this "Unlimited Change of Insured" option will affect the suicide proceeds.

Policy Continuation Option (to the beneficiary)

Apart from unlimited changes of insured, the plan specially provides policy continuation option free of charge during the policy term. While the insured is alive and the policy is in force, the owner can select this option and appoint a beneficiary of the policy to automatically become the (i) new insured; or (ii) new insured and successive owner if the existing insured and owner are the same person, in case of the death of the existing insured. **The coverage period will be adjusted to the date of Policy Anniversary which is on the 100th birthday of the new insured or immediately following the 100th birthday of the new insured (whichever is applicable).**

If you have selected policy continuation option to appoint the new insured and successive owner (if applicable) during the policy term and the existing insured dies, the policy continuation option will automatically be exercised on the date of death of the existing insured, and as the case may be, shall be determined according to the following:

- (i) If the insured and the owner are the same person, the beneficiary will become both the new owner and the new insured; or
- (ii) If the insured and the owner are different persons and:
 - a. The owner survives, the beneficiary will become the new insured; or
 - b. The owner dies at the same time or within 14 days immediately after the death of the insured, the beneficiary will become both the new owner and the new insured; or
 - c. The owner dies after 14 days have elapsed since the death of the deceased insured, the beneficiary will become the new insured and this policy shall vest in the deceased owner's estate.

If no beneficiary survives following the deceased insured, the lump sum payment of death benefit or suicide proceeds (as the case may be) will be paid to the owner or owner's estate and this policy will be terminated.

However, whether the beneficiary can become the new insured and successive owner (if applicable) is subject to the acceptance of CTF Life. For example, if either one of the following events ("exceptional events") happened:

- (i) The beneficiary or legal guardian is unable to take the ownership of this policy according to our applicable requirements; or
- (ii) The beneficiary disagrees to become the successive insured and owner (if applicable) or is unable to submit the prescribed form signed by the beneficiary to effect the change; or
- (iii) The beneficiary is unable to satisfy the customer due diligence requirements and any other laws and regulations applicable to us;

then we will pay the beneficiary a lump sum payment of death benefit or suicide proceeds (as the case may be). After making the lump sum payment following an exceptional event, the policy will be terminated.

Exercising the right of this option will not affect the number of notional units of the investment choice(s) in your policy and the Account Value. The Policy Date will remain the same after the policy continuation effective date.

The cost of insurance rate will be determined based on the new insured's sex and attained age.

Please refer to the section of **Death Benefit** for details on how this "Policy Continuation Option" will affect the suicide proceeds.

Surrender

You may surrender your policy in writing in our prescribed form. We will process your surrender request on the Day of Receipt of surrender request. Once your request is processed, we will perform redemption of all the notional units of your investment choice(s). The Account Value will be calculated based on the Unit Price of the investment choice(s) on the next Valuation Date following the Day of Receipt of surrender request. Once the redemption is completed, we would pay you the Account Value less any applicable early redemption charge as the surrender value within one month after the Day of Receipt of surrender request.

Payment of surrender value may be delayed due to any exceptional circumstances which is beyond the control of CTF Life as set out in the section of **Exceptional Circumstances** of the Investment Guide. No interest will be payable by us for any pending payment of the surrender value. The payment will be carried out as soon as practicable after cessation of such exceptional circumstances.

Legend 2 is designed to be held for a long term period. Early surrender of the policy may result in a significant loss of principal and / or bonuses (including special bonus and loyalty bonus, if any).

An early redemption charge of up to 5% of the Account Value will be deducted from the Account Value when the policy is surrendered within the first 4 Policy Years. The earlier your policy is surrendered, the higher the applicable redemption charge rate will be imposed. Please refer to the section of Summary of Fees and Charges for details of early redemption charge.

Maturity Benefit

If the insured is alive on the Policy Anniversary that is on or after the insured's 100th birthday ("Maturity Date"), we will offer you the maturity benefit and perform redemption of all the notional units of the investment choice(s). The maturity benefit will be calculated based on the Unit Price of the investment choice(s) on the next Valuation Date following the Maturity Date. The payment of the entire maturity benefit will be completed within one month after the Maturity Date.

Payment of maturity benefit may be delayed due to any exceptional circumstances which is beyond the control of CTF Life as set out in the section of **Exceptional Circumstances** of the Investment Guide. No interest will be payable by us for any pending payment of the maturity benefit. The payment will be carried out as soon as practicable after cessation of such exceptional circumstances.

Termination

Your policy will be automatically terminated in the earliest of the following circumstances:

- (i) The policy is surrendered (please note that the early redemption charge will apply within the first 4 Policy Years and therefore the surrender value may be lower than the premium paid and please refer to the section of **Surrender** for details); or
- (ii) The death of the insured unless policy continuation option has been exercised (please refer to the section of **Death Benefit** for details); or
- (iii) Any exceptional event contemplated in policy continuation option has occurred rendering this policy unable to continue (please refer to the section of **Policy Continuation Option** in provision for details); or
- (iv) On the Policy Anniversary that is on or after the insured's 100th birthday (please refer to the section of **Maturity Benefit** for details); or
- (v) The Account Value drops to zero or below. You will not be required to pay back any shortfall of fees and charges upon policy termination.

If the Account Value drops to zero or below, the policy will be terminated. The Account Value may drop to zero or below due to a number of factors, including without limitation, withdrawal, deduction of fees and charges and / or poor performance of the underlying funds and in that case your policy may be terminated.

Summary of Fees and Charges^{Note}

	Annualised rate	When and how the charges are deducted
Administration Fee	0.125% per month (i.e. 1.5% per annum) of your Account Value as at the relevant Policy Monthly Anniversary	Deducted from the Account Value on each Policy Monthly Anniversary by reduction of notional unit in proportion to the value of the investment choice(s) selected for the policy (if the Policy Monthly Anniversary is not a Valuation Date, we will cancel notional units on the next available Valuation Date after the Policy Monthly Anniversary).
Insurance Charge	<p>A monthly insurance charge is payable on Policy Date and each subsequent Policy Monthly Anniversary until the termination of the policy.</p> <p>The monthly insurance charge is calculated as follows:</p> $\text{Monthly insurance charge} = \frac{\text{Sum at risk} \times \text{annual cost of insurance rate}}{12}$ <p>Sum at risk is the excess of death benefit over the Account Value. The monthly insurance charge is not to be less than zero.</p> <p>The cost of insurance rate will be determined by us based on the sex and attained age of the insured as at the beginning of each Policy Year. In case the policy continuation option or change of insured has been exercised, the cost of insurance rate will be determined based on the new insured's sex and attained age.</p>	Deducted from Account Value on the Policy Date and each subsequent Policy Monthly Anniversary while the policy is in force by the deduction of notional units in proportion to the value of the investment choice(s) selected for the policy (if the Policy Date or Policy Monthly Anniversary is not a Valuation Date, we will cancel notional units on the next available Valuation Date after the Policy Date or Policy Monthly Anniversary).

	Annualised rate	When and how the charges are deducted																																				
Insurance Charge (Continue)	The prevailing cost of insurance rates are shown in the table below:	(Please refer to previous page)																																				
	Annual Cost of Insurance Rates																																					
	<table border="1"> <thead> <tr> <th rowspan="2">Attained age of the insured</th> <th colspan="2">Annual cost of insurance rate</th> </tr> <tr> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>0.151%</td> <td>0.16%</td> </tr> <tr> <td>20</td> <td>0.075%</td> <td>0.113%</td> </tr> <tr> <td>30</td> <td>0.089%</td> <td>0.107%</td> </tr> <tr> <td>40</td> <td>0.155%</td> <td>0.204%</td> </tr> <tr> <td>50</td> <td>0.332%</td> <td>0.474%</td> </tr> <tr> <td>60</td> <td>0.718%</td> <td>1.289%</td> </tr> <tr> <td>70</td> <td>2.144%</td> <td>3.372%</td> </tr> <tr> <td>80</td> <td>7.073%</td> <td>9.714%</td> </tr> <tr> <td>90</td> <td>16.532%</td> <td>21.024%</td> </tr> <tr> <td>99</td> <td>47.679%</td> <td>56.456%</td> </tr> </tbody> </table>			Attained age of the insured	Annual cost of insurance rate		Female	Male	10	0.151%	0.16%	20	0.075%	0.113%	30	0.089%	0.107%	40	0.155%	0.204%	50	0.332%	0.474%	60	0.718%	1.289%	70	2.144%	3.372%	80	7.073%	9.714%	90	16.532%	21.024%	99	47.679%	56.456%
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The above is the indicative cost of insurance rate per annum and is for illustrative purpose only. This charge may increase significantly when the insured gets older or your investments make a loss, etc. Please contact our customer service hotline at 2866 8898 or contact your consultant for the cost of insurance rates applicable to your policy. The prevailing cost of insurance rates applicable to you can be found in the appendix to the illustration document.																																						

	Annualised rate	When and how the charges are deducted
Insurance Charge (Continue)	Illustrative example for the calculation of insurance charge	
	The monthly insurance charge on the 120 th Policy Monthly Anniversary will be calculated as below:	
	Gender of insured	Male
	Issue age of insured	40
	Attained age of insured on the 120 th Policy Monthly Anniversary	50
	Cost of insurance rate per annum A	0.474%
	Account Value B	USD170,569
	Single premium paid C	USD150,000
	Aggregate amount of all withdrawals made D	USD5,000
	Death benefit E	= the higher of (i) 105% x USD170,569 (Account Value B) and (ii) USD150,000 (single premium paid C) – USD5,000 (aggregate amount of all withdrawals made D) = the higher of (i) USD179,097.62 and (ii) USD145,000 = USD179,097.62
Sum at risk F	= USD179,097.62 (death benefit E) – USD170,569 (Account Value B) = USD8,528.62	
Insurance charge	= 0.474% (cost of insurance rate per annum A) ÷ 12 x USD8,528.62 (sum at risk F) = <u>USD3.37</u>	
The above illustration is hypothetical and for illustrative purpose only.		

	Annualised rate	When and how the charges are deducted												
Early Redemption Charge	<p>Charge as a percentage of the redemption amount due to:</p> <p>(i) Partial withdrawal; or</p> <p>(ii) Policy surrender.</p> <p>The applicable early redemption charge rates are set out in the table below:</p> <table border="1"> <thead> <tr> <th>During Policy Year</th> <th>Early redemption charge rates</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5.0%</td> </tr> <tr> <td>2</td> <td>3.5%</td> </tr> <tr> <td>3</td> <td>2.0%</td> </tr> <tr> <td>4</td> <td>0.5%</td> </tr> <tr> <td>5 and onwards</td> <td>Nil</td> </tr> </tbody> </table> <p>(i) For partial withdrawal: Early Redemption Charge = Requested withdrawal amount x Applicable early redemption charge rate as set out in the table above</p> <p>(ii) For policy surrender: Early Redemption Charge = Account Value upon policy surrender x Applicable early redemption charge rate as set out in the table above</p>	During Policy Year	Early redemption charge rates	1	5.0%	2	3.5%	3	2.0%	4	0.5%	5 and onwards	Nil	<p>During the first 4 Policy Years, deducted from:</p> <p>(i) Account Value upon surrender; or</p> <p>(ii) Requested withdrawal amount when a partial withdrawal is made (i.e. only the net amount will be paid to you).</p>
During Policy Year	Early redemption charge rates													
1	5.0%													
2	3.5%													
3	2.0%													
4	0.5%													
5 and onwards	Nil													

	Annualised rate	When and how the charges are deducted
Early Redemption Charge (Continue)	Illustrative example for the calculation of early redemption charge	
	If the policy is surrendered at the end of 11 th Policy Month of the 4 th Policy Year, early redemption charge will be calculated as below:	
	Single premium paid	USD150,000
	Account Value at the time of surrender A	USD153,810
	Applicable early redemption charge B	0.5%
	Early redemption charge C	= USD153,810 (Account Value at the time of surrender A) x 0.5% (applicable early redemption charge B) = USD769.05
Surrender value payable	= USD153,810 (Account Value at the time of surrender A) – USD769.05 (early redemption charge C) = <u>USD153,040.95</u>	
The above illustration is hypothetical and for illustrative purpose only.		

Note: For the purposes of calculating the fees and charges, the number of notional units of the investment choice(s) cancelled will be rounded down to 4 decimal places.

Since the calculation of fees and charges is based on the Account Value of your policy, you can obtain the latest information relating to the Account Value by logging on to BOSS customer e-Service (web page version) or CTF Life (mobile app version).

CTF Life reserves the right to vary the above fees and charges or impose new charges with not less than one month's prior written notice or other period of notice in compliance with the relevant regulatory requirements.

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

General Information

Policy Currency and Payment of Premiums

You can select one of the policy currencies for your policy upon the application of Legend 2, which include USD and HKD. Change of policy currency is not allowed after policy issuance. Premiums can be paid in USD or HKD for USD policy while only HKD is allowed to be paid for HKD policy.

All benefit payments payable by us including death proceeds, withdrawal amount, surrender value and maturity benefit under this policy will be paid in HKD or USD upon request for USD policy, while only HKD for HKD policy.

Any exchange of currency will be conducted at the prevailing exchange rate as determined by CTF Life from time to time in good faith and a commercially reasonable manner and it may be subject to foreign exchange risks in the process of currency conversion.

Application Procedure

Legend 2 is available to owner aged from 18 to 75 years old and insured aged from 15 days old to 75 years old (the age on last birthday). If you wish to apply for Legend 2, please return the completed application form with your single premium payment to CTF Life's representatives.

You should not purchase Legend 2 unless you understand it and your consultant has explained to you how it is suitable for you. The final decision is yours.

Cooling-off Period

Cooling-off period is a period during which life insurance owner may cancel their policy and get back their original investment and levy less any market value adjustment and partial withdrawal amount paid to you within 21 calendar days immediately following the day of delivery of the policy or the cooling-off notice to you or your nominated representative (whichever is the earlier). Such notice should inform you of the availability of the policy and expiry date of the cooling-off period.

You have to tell CTF Life by giving a written notice. Such notice must be signed by you and received directly by CTF Life at 7/F NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon.

You may get back the amount you paid (subject to deduction of any partial withdrawal), or less if the value of the investment choice(s) chosen has gone down.

Please note that the original amount of welcome bonus previously credited to your policy will be clawed back if you cancel the policy within the cooling-off period. We will only refund the total premium that you have paid with referencing market value adjustment to any amount that reflects any losses CTF Life might have incurred when selling the underlying assets bought through the investment of premiums received from you under the policy, less any partial withdrawal amounts paid to you.

Termination or Merger of Investment Choices

You will be given not less than one month's prior written notice or other period of notice in compliance with the relevant regulatory requirements for termination or merger of investment choices offered under Legend 2.

Rounding

(a) Unit allocation; and (b) unit cancellation of investment choices for deduction of fees and charges, switching and withdrawal are rounded down to 4 decimal places. Subject to the number of decimal places of the offer price of the underlying funds, Unit Prices of the investment choices are normally rounded to 4 decimal places. Any residual balance after such rounding will be absorbed by CTF Life. We reserve the right to vary the rounding rule with not less than one month's prior written notice.

Important information about the Insurance Authority Levy

From 1 January 2018, the Insurance Authority starts collecting the premium levy from owner through insurance companies. Premiums of the policy, including the premiums of basic plan, the premiums of riders (if any) and the complementary policies (if any), will all be subject to levy and calculated under a specific rate of premium amount. For more information on levy, please visit our website at www.ctflife.com.hk.

Borrowing Power

Legend 2 has no borrowing power. Borrowing power and investment restrictions of the underlying funds is set out in the offering documents of the relevant underlying funds. Please visit our website at www.ctflife.com.hk to obtain the offering documents of the underlying funds for details.

Governing Law

Legend 2 is governed and interpreted in accordance with the laws of Hong Kong Special Administrative Region and all parties to this policy will submit to the non-exclusive jurisdiction of the courts of Hong Kong.

Taxation

Income and capital gains under Legend 2 are exempted from taxation under the Hong Kong Inland Revenue Ordinance. However, you are advised to seek professional advice regarding your personal taxation liabilities.

U.S. Foreign Account Tax Compliance Act

Under the U. S. Foreign Account Tax Compliance Act ("FATCA"), a foreign financial institution ("FFI") is required to report to the U.S. Internal Revenue Service ("IRS") certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS ("FFI Agreement") in respect of FATCA and / or who is not otherwise exempt from doing so (referred to as a "nonparticipating FFI") will face a 30% withholding tax ("FATCA Withholding Tax") on all "withholdable payments" (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement ("IGA") to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. owners and (iii) report relevant tax information of those owners to the IRS.

FATCA applies to Chow Tai Fook Life Insurance Company Limited (the "Company") and Legend 2. CTF Life is a participating FFI. CTF Life is committed to complying with FATCA. To do so, CTF Life requires you to:

- (i) provide to CTF Life 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 CTF Life 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"), CTF Life is required to report "aggregate information" of account balances, payment amounts and number of non-consenting U.S. accounts to IRS.

CTF Life could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, Legend 2. Currently the only circumstances in which CTF Life 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 CTF Life may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to Legend 2 and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case CTF Life may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to Legend 2 and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or Legend 2.

Automatic Exchange of Financial Account Information in Tax Matters and Common Reporting Standard

Automatic Exchange of Financial Account Information in Tax Matters ("AEOI") is about improving transparency in the fight against tax evasion and in so doing protecting the integrity of the tax systems of the participating jurisdictions. Hong Kong has now legislation in place for AEOI. The Inland Revenue (Amendment) (No.3) Ordinance 2016 has introduced the relevant provisions to the Inland Revenue Ordinance, incorporating the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development.

The Company, as a reporting financial institution under the relevant ordinance, must comply with the following requirements of the Inland Revenue Ordinance to facilitate the Hong Kong Inland Revenue Department ("IRD") automatically exchanging certain financial account information with participating tax jurisdictions with which Hong Kong has entered into a Competent Authority Agreement as provided for thereunder:

- (i) to identify certain accounts as non-excluded financial accounts ("NEFAs");
- (ii) to identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (iii) to determine the status of certain NEFA-holding entities as passive entities that are not financial institutions and identify the jurisdiction(s) in which their controlling persons reside for tax purposes;
- (iv) to collect certain information on NEFAs ("AEOI Required Information"); and
- (v) to furnish certain AEOI Required Information to the IRD. (Collectively, the "AEOI requirements").

In order to comply with the AEOI Requirements, from 1 January 2017, the Company will request account holders (including individuals, entities and controlling persons and, in respect of your insurance policy, including without limitations, the owner and the beneficiary) for all new accounts to complete and provide us with a self-certification form regarding one's tax residence. As for existing accounts, if the Company has doubts about the tax residence of an account holder, the Company may require such account holder to provide us with a self-certification form regarding his / her / its tax residence.

Any failure to provide any requested information may result in the Company being unable to proceed your application. You should notify us of any change in circumstance which a) affects your tax residency status; or b) causes the information provided under your previously submitted self-certification form to become incorrect, and provide us with a suitably updated self-certification form within 30 calendar days of such change in circumstances in accordance with applicable laws and regulations. Further, you should agree to comply with requests made by the Company to comply with the AEOI requirements. The Company reserves the right to take any action as it deems necessary in order for the Company to comply with any applicable ordinance(s).

The Company does not provide any legal and tax advice, you should seek independent professional legal and tax advice on the implications of the applicable ordinances may have on you and your insurance policy.

Responsibility

Chow Tai Fook Life Insurance Company Limited (Incorporated in Bermuda with limited liability) accepts full responsibility for the accuracy of the information contained in the offering documents at the date of publication and confirms, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

Authorization

Legend 2 and its offering documents have been authorized by the Securities and Futures Commission ("SFC"), under sections 104(1) and 105(1) of the Securities and Futures Ordinance. SFC authorization is not a recommendation or endorsement of a plan nor does it guarantee the commercial merits of a plan or its performance. It does not mean the plan is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC does not take any responsibility for the contents of the offering documents, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the offering documents.

Glossary

Account Value – refers to the value of the policy account, which is equal to the sum of value of all investment choice(s) of the policy, while the value of each investment choice is equal to the number of notional units of the investment choice multiplied by the respective Unit Price of the investment choice. Please visit our website at www.ctflife.com.hk to obtain the Unit Prices and you can also obtain the latest information relating to the balance of investment choice(s) and the Account Value by logging on to BOSS customer e-Service (web page version) or CTF Life (mobile app version).

Average Monthly Account Value – the sum of the Account Value as at the end of every Policy Month during the relevant Policy Year when the special bonus and / or loyalty bonus is entitled divided by 12. You can check the Average Monthly Account Value by logging on to BOSS customer e-Service (web page version) or CTF Life (mobile app version) from the 5th Policy Year.

Cut-Off Time – which is currently 3:00 pm (Hong Kong time) as determined by us from time to time, we will process a transaction request on the same Working Day upon receiving the duly completed form and relevant documents required in the form submitted to us at or before Cut-Off Time. Any transaction request received after Cut-Off Time on any Working Day will be deemed as having been received on the next Working Day.

Day of Receipt – the Working Day when a request for death claim of the insured, switching, surrender or withdrawal in satisfactory form is received by us. If we receive a request for death claim of the insured, switching, surrender or withdrawal before the Cut-Off Time, the Day of Receipt shall be the same Working Day when we receive the request. If we receive a request after the Cut-Off Time, the Day of Receipt shall be deemed as received on the next Working Day.

Policy Anniversary – for each Policy Year while this policy remains in force, the anniversary of the Policy Date (in case there is no such same date in the relevant calendar year, the last day of the same month in that year as the month in which the Policy Date falls).

Policy Date – the date in which this policy becomes effective, and Policy Date is also the date from which Policy Anniversaries, Policy Monthly Anniversary, Policy Years, Policy Months are determined.

Policy Month – while this policy remains in force, the month commencing with the Policy Date and ending on the day before the first Policy Monthly Anniversary, or any following month commencing with a Policy Monthly Anniversary and ending on the day before the next Policy Monthly Anniversary.

Policy Monthly Anniversary – refer to the same day as the Policy Date for each succeeding calendar month (in case there is no such same day, the last day of such month).

Policy Year – the period of 12 Policy Months from the Policy Date and each subsequent and consecutive period of 12 Policy Months from each Policy Anniversary for the first and each subsequent Policy Year.

Unit Price – the value on any relevant Valuation Date of notional unit of a particular investment choice, and is equal to the offer price of the corresponding underlying fund.

Valuation Date – every Working Day designated by the Company from time to time or any day on which a transaction may be carried out. In the event of the occurrence of any exceptional circumstances, beyond our reasonable control which renders it impracticable to carry out a transaction on a particular Valuation Date, we shall have the discretion to decide another applicable Valuation Date to determine Unit Price and / or the net asset value of an investment choice.

We, our, us and the Company – Chow Tai Fook Life Insurance Company Limited.

Working Day – any day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong but excluding any gale warning day or black rainstorm warning day within the meaning of section 71(2) of the Interpretation and General Clauses Ordinance (Cap.1) of the Laws of Hong Kong.

You, your, Owner – the owner of this policy named in the application or, if the owner of this policy is changed in accordance with these policy provisions, the new owner of this policy.

This document 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 provision of any of our products outside Hong Kong.

CTF Life

周大福人壽

Chow Tai Fook Life Insurance Company Limited
(Incorporated in Bermuda with limited liability)

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