

FWD Multi-Funding Provident Plan Explanatory Memorandum

FWD Multi-Funding Provident Plan

IMPORTANT

- The Plan is a pooled retirement scheme established by an insurance policy issued by FWD Life.
- The guarantee of the FWD Capital Guarantee Fund is provided by FWD Life. Your investments in FWD Capital Guarantee Fund are therefore subject to the credit risks of FWD Life. The guarantee is subject to qualifying conditions as set out in Appendix 1 to this Explanatory Memorandum in respect of the FWD Capital Guarantee Fund.
- Each of the Managed Funds of the Scheme will invest in the corresponding Underlying Funds. Such Underlying Funds may invest in equities, debt securities and/or financial derivative instruments, as the case may be, each with a different risk profile.
- Underlying Funds which invest in emerging markets may be subject to higher liquidity and volatility risks. Underlying Funds which invest in a particular market or sector may be subject to a higher concentration risk than funds with a more diversified investment policy.
- Underlying Funds which invest in debt securities that are low-rated or non-investment grade debt securities may be subject to higher credit and counterparty risks than funds which invest in debt securities with higher credit ratings.
- Underlying Funds which invest substantially in financial derivative instruments may be subject to significant liquidity and counterparty default risks and therefore may expose the Underlying Funds to the potential for significant losses.
- The Scheme is constituted in the form of an insurance policy. While the benefit payments under the Scheme are calculated with reference to the performance of the Investment Options, you are not investing in the underlying investment funds / assets and do not have any rights or ownership over the underlying investment funds / assets. Such underlying investment funds / assets are legally owned by FWD Life. You only have a contractual right to claim the amount representing the benefits under the Scheme from FWD Life. Your investment in the Scheme is therefore subject to the credit risks of FWD Life.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices. If you are in doubt as to whether a Managed Fund is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice.
- You should read this Explanatory Memorandum for further details including product features, fees and charges and risk factors (set out in section 3 headed "INVESTMENT RISKS AND RISK FACTORS").

Important: If you are in doubt about the contents of this Explanatory Memorandum, you should seek independent financial and/or professional advice.

FWD Life accepts responsibility for the accuracy of the information contained in this Explanatory Memorandum as at the date of publication. This Explanatory Memorandum may from time to time be updated. You should enquire with FWD Life for the latest Explanatory Memorandum or any supplements or addenda to this Explanatory Memorandum which will be available from FWD Life.

The Plan has been authorized by the SFC. Such authorization does not imply any official recommendation by the SFC.

No action has been taken to permit an offering of the Plan or distribution of this Explanatory Memorandum in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Explanatory Memorandum may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized. Further, the Plan may not be offered or sold, directly or indirectly, to any persons for reoffering or resale, in any jurisdiction where such action is not authorized. Receipt of this Explanatory Memorandum does not constitute an offer of the Plan in those jurisdictions in which it is illegal to make such an offer.

FWD Life Insurance Company (Bermuda) Limited
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DEFINITIONS:

“Business Day”	a day (other than Saturday) on which banks in Hong Kong are open for normal banking business
“Capital Guarantee (CG) Account”	an account maintained by FWD Life pursuant to the Policy for the purpose of holding (i) investment in the FWD Capital Guarantee Fund and (ii) cleared funds received by FWD Life pending investment in the Managed Funds
“Commencement Date”	the date specified on the Policy as the commencement date of the Scheme
“Default Fund”	the FWD Capital Guarantee Fund or such other Managed Fund as determined and specified by the employer under the Scheme and as notify to FWD Life from time to time
“FATCA”	the Foreign Account Tax Compliance Act enacted by the US in March 2010
“FWD Capital Guarantee Fund”	an Investment Option established in the form of an insurance policy pursuant to the Policy. For the avoidance of doubt, the FWD Capital Guarantee Fund is not unitized
“FWD Life” or the “Company”	FWD Life Insurance Company (Bermuda) Limited, incorporated in Bermuda with limited liability, with its registered office in Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong IGA”	the intergovernmental agreement [to be] entered between Hong Kong and the US for implementation of FATCA [<i>Note: Status to be confirmed and updated (if required) prior to issuance of the EM.</i>]
“Investment Option”	the FWD Capital Guarantee Fund or the Managed Fund and collectively the “Investment Options”
“ICO”	the Insurance Companies Ordinance (Cap. 41 of the Laws of Hong Kong), as amended from time to time together with any regulations and rules made thereunder
“IRO”	the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong), as amended from time to time together with any regulations and rules made thereunder

“Managed Fund”	a sub-fund separately maintained by FWD Life where the monies of such sub-fund shall be invested wholly in the corresponding Underlying Fund as described in Appendix 1
“Managed Fund Account”	an account notionally maintained by FWD Life for the purpose of holding investment in the Managed Fund
“Member”	an employee or a former employee who has met the eligibility requirements to participate in the Scheme and whose membership has not been terminated under the Policy
“MPF Exemption Regulation”	the Mandatory Provident Fund Schemes (Exemption) Regulation
“Net Investment Contribution”	contributions received in a Scheme Year, excluding any Past Service Contribution and any forfeited contribution which has been used to offset future employer’s contributions
“ORSO”	the Occupational Retirement Scheme Ordinance (Cap. 426 of the Laws of Hong Kong), as amended from time to time together with any regulations and rules made thereunder
“Past Service Contribution”	the amount (if any) to be paid by the employer in respect of employees becoming Members of the Scheme on the Commencement Date as determined pursuant to the Policy
“Plan”	the FWD Multi-Funding Provident Plan
“Policy”	an insurance policy, namely, the FWD Multi-Funding Provident Policy, to be entered between the employer and FWD Life, together with the schedules, as amended from time to time
“Registrar”	the Registrar of Occupational Retirement Schemes appointed under the ORSO
“Review Date”	the date each year as specified in the Policy as the review date
“Scheme”	an occupational retirement scheme established by an employer
“Scheme Year”	a period of twelve months from the Commencement Date and thereafter each period of twelve months from the Review Date
“SFC”	the Securities and Futures Commission of Hong Kong
“Underlying Fund”	an SFC authorized sub-fund and invested in by the corresponding Managed Fund as described in Appendix

“US”

the United States of America

“US IRS”

the Internal Revenue Service of the United States of America

1. ABOUT FWD MULTI-FUNDING PROVIDENT PLAN

The Plan is a pooled retirement fund scheme established as an insurance policy issued by FWD Life.

The Plan provides participating employers flexibility on the choice of benefits by making available a combination of investment options to suit different needs of employers, including small size corporations which may prefer to have security of capital of a scheme while generating a favorable rate of return. The advantage of this approach is that both employers and employees may choose to invest their contributions according to their specific investment needs and risk profiles.

The Plan also provides participating employers with flexibility in terms of different features as further described in section 1.2 headed “PLAN FEATURES” below.

1.1 APPLICATION

The employer will need to complete the Scheme Profile and Application Form provided by FWD Life, sign it and return it to FWD Life at the following address together with other relevant information that FWD Life may require:

1/F., FWD Financial Centre
308 Des Voeux Road Central
Sheung Wan
Hong Kong

The employer will also need to enter into the Policy with FWD Life which sets out the terms and conditions of the Scheme.

1.2 PLAN FEATURES

ELIGIBILITY

All employees in regular, permanent and full-time employment between the ages of 18 and 65 (inclusive) and who have been employed by the employer for at least 60 days under an employment contract, or on other terms as agreed with the employer, are eligible to join the Scheme.

RETIREMENT AGE

The retirement age will normally be 60 or 65 (or any other age as agreed with the employer) for all employees. Should the employee continue working beyond the normal retirement age, contributions shall continue to be made by the employee and the employer until actual retirement of the relevant employee.

CONTRIBUTION RATE

The contribution rate as a percentage of an employee's basic monthly salary is typically 5% for both employer contribution and employee contribution. An employer may also agree to a greater contribution rate.

Contributions are remitted monthly by the employer to FWD Life in the currency agreed with the employer. The employer may be subject to contribution surcharge for late payment or financial penalties for outstanding contribution payments in accordance with the ORSO if the employer fails to comply with the legislative requirements.

The employer may also make a Past Service Contribution for an employee or transfer the whole of the existing fund assets to the Scheme by way of a single lump sum or by installments over a certain period on terms to be agreed with FWD Life.

INVESTMENT ALLOCATION

Employers' and employees' contributions (including any Past Service Contribution and/or contribution as a result of transfer from existing fund assets to the Scheme) will first be credited to the Capital Guarantee (CG) Account upon receipt of cleared funds by FWD Life, which will then be allocated to the relevant Managed Fund Accounts for investment in the respective Managed Funds, in accordance with the allocation instructions as notified to FWD Life from time to time pursuant to the rules as specified by the employer under the Scheme. Any allocation to the FWD Capital Guarantee Fund will remain in the Capital Guarantee (CG) Account. Subscription, redemption and switching of investments among the Investment Options will be made pursuant to sub-section 2.1 headed "SUBSCRIPTION, REDEMPTION AND SWITCHING OF THE INVESTMENT OPTIONS" under section 2 headed "INVESTMENT OPTIONS".

For the avoidance of doubt, while the benefit payments under the Scheme are calculated with reference to the performance of the Investment Options, employers and employees are not investing in the underlying investment funds / assets and do not have any rights or ownership over the underlying investment funds / assets. Such underlying investment funds / assets are legally owned by FWD Life. Employers and employees only have a contractual right to claim the amount representing the benefits under the Scheme from FWD Life. Any investment in the Scheme is subject to the credit risks of FWD Life.

Currently, the Plan offers the following Investment Options for investment by employers and employees:

- FWD Capital Guarantee Fund
- Global – Asia Pacific Fund
- Global Fund
- Global Balanced Fund
- Global Bond Fund
- Hong Kong China Fund
- American Growth Fund
- European Growth Fund

With the exception of the FWD Capital Guarantee Fund which is internally managed by FWD Life, each of the above Managed Funds will invest in the corresponding Underlying Funds managed by external fund managers. Please refer to Appendix 1 for details of each of the Investment Options and their respective investment objectives and features.

Please refer to the examples below for illustration of allocations of the employer's contributions and employee's contributions:

a. Employer's Contributions

Name of Member or Category of Member	Percentage to be credited to the Capital Guarantee (CG) Account for investment in the FWD Capital Guarantee	Percentage to be credited to the respective Managed Fund Accounts for investment in the Managed Funds [-----]								
		FWD Capital Guarantee Fund	Global - Asia Pacific Fund	Global Fund	Global Balanced Fund	Global Bond Fund	Hong Kong China Fund	American Growth Fund	European Growth Fund	Total
Peter Chan	100%		0%	0%	0%	0%	0%	0%	0%	=100%
Mary Lee	100%		0%	0%	0%	0%	0%	0%	0%	=100%
Ann Wong	50%		25%	25%	0%	0%	0%	0%	0%	=100%

b. Employees' Contributions

Name of Member or Category of Member	Percentage to be credited to the Capital Guarantee (CG) Account for investment in the FWD Capital Guarantee	Percentage to be credited to the respective Managed Fund Accounts for investment in the Managed Funds [-----]								
		FWD Capital Guarantee Fund	Global - Asia Pacific Fund	Global Fund	Global Balanced Fund	Global Bond Fund	Hong Kong China Fund	American Growth Fund	European Growth Fund	Total
Peter Chan	0%		100%	0%	0%	0%	0%	0%	0%	=100%
Mary Lee	0%		50%	0%	0%	50%	0%	0%	0%	=100%
Ann Wong	30%		0%	0%	30%	0%	40%	0%	0%	=100%

REALLOCATION OF ASSETS AND REDESIGNATION OF FUTURE CONTRIBUTIONS

Subject to the rules as specified by the employer under the Scheme, an employer or employee may, by giving one month's prior written notice to FWD Life:

- (i) reallocate the investments in the FWD Capital Guarantee Fund or each Managed Fund; or
- (ii) redesignate the percentage of the amount of future contributions to be invested in the FWD Capital Guarantee Fund or each Managed Fund.

No fees and charges will be levied for reallocation of investments among the FWD Capital Guarantee Fund and the Managed Funds. Such reallocation or redesignation shall take place not more than once (unless otherwise agreed with FWD Life) in any Scheme Year. The reallocation of assets/redesignation of future contributions shall take effect on the first day of the month immediately after expiry of the one month's notice period.

1.3 BENEFITS

Benefits payable upon normal retirement

The benefit payable upon normal retirement will comprise of the value of the employee's account attributable to (i) contributions from the employer and employee credited to the Capital Guarantee (CG) Account and any interest earned from the FWD Capital Guarantee Fund and accrued on the cash held in the Capital Guarantee (CG) Account (please refer to Appendix 1 for the mechanism for determining the interest rate), (ii) contributions from the employer and employee invested in the relevant Managed Fund(s) which invest in the corresponding Underlying Fund(s) and any investment return thereon, and (iii) any uninvested cash from time to time held in an account for each employee. The realized balance in the employee's account will be paid upon normal retirement of the employee in a lump sum by FWD Life.

Benefits payable upon leaving service before normal retirement

Where an employee leaves employment of the employer prior to the normal retirement age for reasons other than death or incapacity (as certified by a registered medical practitioner), the benefit payable will comprise of the value of the employee's account attributable to (i) all the employee's contributions and any investment return and interest earned (if applicable) thereon, (ii) a percentage of any sum with interest (if applicable) representing the Past Service Contributions and any investment return thereon, and (iii) a percentage of any sum with interest (if applicable) representing the employer's contributions and any investment return thereon. The percentage of employer's contributions (other than Past Service Contributions) and the percentage of Past Service Contributions for employees leaving employment other than on death or incapacity shall be determined in accordance with the vesting schedules as determined and specified by the employer under the Scheme.

For employees who joined the Scheme after 1 December 2000 with an employer who has been granted an exemption certificate under the MPF Exemption Regulation, the benefits of that employee upon termination of employment will be dealt with in accordance with the MPF Exemption Regulation. For example, the minimum MPF benefits of that employee, as defined in the MPF Exemption Regulation, will have to be preserved until retirement.

Benefits payable upon death or incapacity

Upon death or incapacity (as certified by a registered medical practitioner) prior to retirement of the employee, the realized balance in the employee's account to be determined in the same manner as in the case of normal retirement will be paid in a lump sum by FWD Life to the person(s) nominated by the employee in writing to FWD Life or the employee's legal personal representatives if no nomination has been made by the employee.

Forfeiture of benefits

If an employee is dismissed upon any of the following grounds, he / she will not be entitled to any part of the employer's contribution (including any Past Service Contribution) or any investment return and interest earned (if applicable) thereon:

- (a) wilfully disobeying a lawful and reasonable order;
- (b) misconduct, such conduct being inconsistent with the due and faithful discharge of his / her duties;
- (c) being guilty of fraud or dishonesty;
- (d) being habitually neglectful in his / her duties; or
- (e) upon any other ground on which the employer would be entitled to terminate the contract of employment without notice at common law.

Liens on benefits

The employer may be paid from the benefit payable to an employee the amount of debt acknowledged in writing by the employee as owing to the employer. Upon production of such written acknowledgment to FWD Life, FWD Life will pay to the relevant employer such part of benefit due to be paid to the employee under the Scheme for the purpose of effective repayment of such debt. Any payment so made by FWD Life shall discharge all liabilities of FWD Life in respect of such part of the benefit payable to such employee.

Forfeited contributions

The forfeited contributions, i.e. those contributions which are not paid out to an employee as benefit under the Scheme (other than as liens on such benefits), due to the employee's termination or dismissal of employment, may be used to offset the employer's future contributions or for other purposes as agreed by the employer and FWD Life.

2. INVESTMENT OPTIONS

FWD Life offers flexibility in terms of investment choices and allows the employer, the employee or a combination of both, to choose the investment options and determine the asset allocation according to their investment objective.

To meet the different needs of employers and employees, FWD Life is able to draw upon the expertise of both internal and external professional fund managers to provide investment management services to a wide variety of retirement fund clients.

Currently, the Plan offers eight Investment Options for investment by employers and employees. With the exception of the FWD Capital Guarantee Fund which is internally managed by FWD Life, the contributions are invested in the Managed Funds which, in turn, feed into the corresponding Underlying Funds that are authorized by the SFC and managed by external fund managers. Please note that authorization by the SFC does not imply official recommendation.

The Underlying Funds are expected to comply with the general provisions of Chapter 7 of the Code of Unit Trusts and Mutual Funds. This Explanatory Memorandum must be read together with the relevant Appendices and/or addendum to this Explanatory Memorandum which relate to an Investment Option or its underlying investment portfolios, including its investment objectives, fund features, risks involved and additional terms, conditions and such other restrictions which may be applicable. Please also refer to the offering documents of the Underlying Funds, which are available on the website of FWD Life, at www.fwd.com.hk, for further information. Copies of the offering documents of the Underlying Funds are also available for inspection during normal working hours at the following address:

1/F., FWD Financial Centre
308 Des Voeux Road Central
Sheung Wan
Hong Kong

2.1 SUBSCRIPTION, REDEMPTION AND SWITCHING OF THE INVESTMENT OPTIONS

Employers' and employees' contributions (including any Past Service Contribution and/or contribution as a result of transfer from existing fund assets to the Scheme) will be credited to the Capital Guarantee (CG) Account upon receipt of cleared funds by FWD Life, which will then be allocated to the relevant Managed Fund Accounts for investment in the respective Managed Funds, in accordance with the allocation instructions as notified to FWD Life from time to time pursuant to the rules as specified by the employer under the Scheme. Any allocation to the FWD Capital Guarantee Fund will remain in the Capital Guarantee (CG) Account.

FWD Capital Guarantee Fund

In respect of contributions credited to the Capital Guarantee (CG) Account for investment in the FWD Capital Guarantee Fund, subscriptions will be made on each Business Day on which the FWD Capital Guarantee Fund is open for subscription, following receipt of cleared funds and verification of the relevant documents as required by FWD Life.

Upon cessation of employment, redemption of the FWD Capital Guarantee Fund will be made on a Business Day on which the FWD Capital Guarantee Fund is open for redemption, following verification of the relevant documents as required by FWD Life.

Switching of the FWD Capital Guarantee Fund to other Managed Fund(s) will be made on the first Business Day of each month on which the FWD Capital Guarantee Fund is open for redemption, upon receipt of one month's prior written notice to FWD Life. The redemption proceeds will be the amount credited to the Capital Guarantee (CG) Account attributable to investment in the FWD Capital Guarantee Fund plus the interests accrued up to the day before redemption. Subscription into other Managed Fund(s) will be made upon receipt of cleared funds from redemption proceeds of the FWD Capital Guarantee Fund on the relevant dealing day(s) of the respective Underlying Fund(s).

Switching instructions will not be processed in the month that falls on the Review Date of the Scheme and any instruction received during that month will be treated as if it were received by FWD Life in the next succeeding month.

Other Managed Funds

In respect of contributions credited to the Capital Guarantee (CG) Account which are then allocated to the relevant Managed Fund Accounts pending for investment in the respective Managed Funds, subscriptions to each of the Managed Funds will be made on the 10th, 20th or 30th (or in case of February, the last day) of each month, or the next following Business Day on which the respective Underlying Fund is open for subscription. The subscription to each Managed Fund would be carried out based on the subscription price of the relevant Underlying Fund on the corresponding dealing day of the Underlying Fund. Subscriptions to the Managed Funds are subject to the receipt of cleared funds and verification of the relevant documents as required by FWD Life.

Upon cessation of employment, redemption from each of the Managed Funds will be made on the 10th, 20th or 30th (or in case of February, the last day) of each month, or the next following Business Day on which the respective Underlying Fund is open for redemption. The redemption from each Managed Fund would be carried out based on the redemption price of the relevant Underlying Fund on the corresponding dealing day of the Underlying Fund. Redemptions from the Managed Funds are subject to the verification of the relevant documents as required by FWD Life.

Switching of the Managed Fund to other Investment Option(s) will be made on the first Business Day of each month on which the relevant Underlying Fund or the FWD Capital

Guarantee Fund (if applicable) is open for redemption, upon receipt of one month's prior written notice to FWD Life and based on the redemption price of the relevant Underlying Fund (adjusted to reflect any redemption charges at the Underlying Fund's level) or the FWD Capital Guarantee Fund (if applicable). Subscription into other Investment Option(s) will be made upon receipt of cleared funds from redemption proceeds of the Managed Fund.

Switching instructions will not be processed in the month that falls on the Review Date of the Scheme and any instruction received during that month will be treated as if it were received by FWD Life in the next succeeding month.

No offer spread or bid spread will be charged for subscriptions to, redemption from or switching between the Managed Funds. For the avoidance of doubt, although no separate fees and charges are levied at the Managed Fund's level, fees and charges may be payable in respect of the investment in the Underlying Funds. Please refer to sub-section 5.2 headed "CHARGES AT MANAGED FUND LEVEL" under section 5 headed "CHARGES" for further information.

The respective constitutive documents of the Underlying Funds set out provisions for the suspension of the determination of the net asset value of their respective portfolio of investments in certain circumstances. These circumstances may include, but are not limited to, (i) where there is a closure of or the restriction or suspension of trading on any securities market on which the investments made by the relevant Underlying Funds are normally traded; (ii) where the determination of the value of an investment made by the relevant Underlying Fund is suspended or otherwise cannot be reasonably, promptly, accurately and fairly ascertained; or (iii) where it is not reasonably practicable to realize any investment of the Underlying Fund. In these circumstances, the subscription to and redemption of shares or units in the Underlying Funds will be suspended and investment of contributions and payment of benefits under the Scheme will be delayed. In addition, the constitutive documents of the Underlying Funds may also contain provisions imposing a limit on the number of shares or units of the Underlying Fund realized to 10% of the total number of shares or units in issue on any valuation date.

2.2 TERMINATION OF THE UNDERLYING FUNDS

In the event that an Underlying Fund is terminated, employers and Members entitled to exercise investment choice will have the opportunity (so far as is practicable) to direct that amounts currently invested in the terminating Underlying Fund and any further contribution to be invested in the terminating Underlying Fund be transferred to any of the other Investment Options. Employers and Members entitled to exercise investment choice who fail to give such directions shall be deemed to have given directions to switch the invested amounts into the Default Fund, and to invest the relevant future contributions in the Default Fund.

2.3 VALUATION AND PRICING OF THE INVESTMENT OPTIONS

FWD Capital Guarantee Fund

For the FWD Capital Guarantee Fund, the annual declared rate of return is based on the yield earned as at the end of its fiscal year ending on September 30 each year, net of all relevant taxes but including realized and unrealized gains and adjustments to smooth market fluctuations and to provide for the investment guarantee. When determining the yield earned, FWD Life will use the market value of the investments held except in the case where the securities are intended to be held to maturity, if any, in which case the amortized value of such securities will be employed.

Other Managed Funds

For Managed Funds that invest in the respective Underlying Funds (other than the American Growth Fund and European Growth Fund), the subscription or redemption price of each Managed Fund shall be the net asset value of that class of shares or units of the relevant Underlying Fund on the 10th, 20th or 30th (or in case of February, the last day) of each month, or the next following Business Day on which the respective Underlying Fund is open for subscription or redemption (as the case may be), adjusted to reflect any dealing charges as appropriate, divided by the number of shares or units of that class then in issue or deemed to be in issue in respect of the relevant Underlying Fund. In respect of the American Growth Fund and European Growth Fund, the subscription or redemption price of shares of any class shall be the net asset value of that class on the day of receipt of clear funds by the respective Underlying Funds, less any applicable dealing charges, divided by the number of shares of that class then in issue or deemed to be in issue.

3. INVESTMENT RISKS AND RISK FACTORS

Investment involves risk and losses may be sustained on any investment.

Each of the Investment Options has different investment objectives and is therefore subject to different types of risks. There is no assurance that the investment objective of the respective Investment Option will be achieved. Some of the risks to which the Investment Options may be exposed are set out below. Please refer to the latest offering documents of the Underlying Funds corresponding to the Investment Options, which are available by the means set out in section 2 headed “INVESTMENT OPTIONS”, for details of the investment objectives, policies, strategies and risks of the Underlying Funds.

Investment Risk

There can be no assurance that the Investment Options will achieve their investment objectives. Past performance is no guarantee of future results. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, and by changes to economic or monetary policies.

Market / liquidity risk

Investments in the Investment Options are subject to market fluctuations, liquidity risk and other risks inherent to investing in securities. As a result, the value of investments in the Investment Options may go down as well as up and an employee may not get back the amount he/she invests.

Credit / counterparty risk

The value of an Investment Option may be affected if any of the financial institutions with which the assets of the Investment Option is invested or deposited, or a counterparty of the securities invested by the Investment Option, defaults or suffers insolvency or other financial difficulties. Investment Options which invest in debt securities of lower credit ratings may be subject to higher credit and counterparty risks than funds investing in debt securities of higher credit ratings.

Interest Rate Risk

Interest rates may be subject to fluctuations. Investment Options that invest in debt securities are particularly susceptible to interest rate changes and may experience significant price volatility. Any fluctuation in interest rates may affect the income received by the Investment Options directly or via their Underlying Funds (if applicable). In addition, the value of certain debt securities may fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies.

Emerging market risk

Some countries in which some of the Investment Options may invest are considered as emerging markets. As emerging markets tend to be more volatile than developed markets,

any holdings in emerging markets are exposed to higher levels of market risk. The securities markets of some of the emerging countries are not yet fully developed which may, in some circumstances, lead to a potential lack of liquidity. Accounting, auditing and financial reporting standards in some of the emerging markets may be less vigorous than international standards. As a result, certain material disclosures may not be made by some companies. In many cases, governments of emerging markets retain a high degree of direct control over the economy and may take actions having sudden and widespread effects such as suspension of trade and moratorium which may affect valuation of assets. Investments in products of emerging market may also become illiquid which may constrain the investment manager's ability to realise some or all of the portfolio and thus affect the repatriation of capital. Further, the interpretation or application of current laws or regulations in emerging markets may have adverse effects on the relevant Investment Option's investments.

Concentration risk

Investment Options (or a fund which an Investment Option invests) which focus on investing in a single geographical area or country or a single sector may be subject to greater degree of volatility than a more diversified fund.

Risks associated with investing in financial derivative instruments

Some of the Investment Options may use financial derivative instruments such as credit default swaps, futures and options contracts. The value or return of these types of instruments is based on the performance of an underlying asset. These instruments may be volatile and involve various risks, including market risk, the risk of lack of correlation or leverage effect, liquidity risk and the risk of non-performance or default by the counterparty.

Risks associated with investing in low-rated or non-investment grade debt securities and defaulted debt securities

Some of the Investment Options may invest in low-rated or non-investment grade debt securities. In addition to higher credit and counterparty risks, these debt securities are generally subject to greater price volatility when compared to debt securities of higher rating. In addition, some of the Investment Options may invest in debt securities on which the issuer is no longer making interest payments (i.e. defaulted debt securities). The risk of loss due to default of this type of securities may be considerably greater, as they are generally unsecured and are often subordinated to other creditors of the issuer. These securities are generally illiquid and tend to lose much of their value before issuer default.

Currency risk

Some of the Investment Options may invest in whole or in part in assets quoted in other currencies. Performance may therefore be affected by movements in the exchange rate between the currencies in which the assets are held and their respective base currencies. Some of the Investment Options may engage in currency hedging to reduce exchange rate fluctuations. There is no assurance that the hedging objective will be achieved, and currency hedging may limit the benefit from any increase in value of the hedged currency, and

expose an Investment Option to any gains / losses on and the costs of the relevant financial instrument.

Other risk factors

Investment in the Scheme is not equivalent to placing funds on deposit with a bank or deposit taking company. Investments in the Scheme should be regarded as a medium to long-term investment.

4. ROLE OF FWD LIFE

As one of the major authorized insurers in Hong Kong, FWD Life is committed to offering customers a comprehensive range of insurance products and services. We also contribute our experience to providing pension services (MPF and ORSO) to corporate and individual customers, with our experience in pension since 1985.

FWD Life's extensive portfolio of insurance products includes individual life, group life, medical, education, retirement, and savings schemes, which are tailored to meet customers' needs throughout the different stages of their lives. Our strategic focus is to leverage technology to enhance customer experience, deliver innovative products, and invest in talent to create a leading pan-Asian life insurer that changes the way consumers feel about insurance.

4.1 AS AN INSURER

FWD Life is the insurer of the Policy establishing the Plan.

4.2 AS AN ADMINISTRATOR

FWD Life maintains separate accounts to record the contributions made by the employer and the employees, respectively. In addition, FWD Life also provides the following administration services including:

- (i) scheme design and / or the review of benefits levels;
- (ii) registration of the Scheme under the ORSO;
- (iii) maintenance of a membership register to record and reflect the level of benefits, account balances and employer and employee contributions;
- (iv) provisions of administration documents and records for employer and employees such as the applications for membership, membership certificates, membership benefit advice forms, a comprehensive membership booklet explaining the basis of the Scheme, and an annual statement showing the transactions which have occurred in a summary form.
- (v) calculation and arrangement for payment of benefits pursuant to the terms of the Scheme and levels of insurance (if any) on each Review Date.

5. **CHARGES**

5.1 **CHARGES AT SCHEME LEVEL**

Administration Charge

An annual administration fee of HK\$750* and a membership fee of HK\$30* per member based on the number of Members at the start of each Scheme Year, subject to an overall minimum administration charge of HK\$1,000*, will be payable by the employer together with annual service charges calculated based on the amount of Net Investment Contributions according to the following scale:

<u>Contributions (HK\$)</u>		<u>Rate of charge</u> (% p.a.)	
First	100,000*	3.50	Plus
Next	100,000*	3.00	Plus
Next	100,000*	2.50	Plus
Next	100,000*	2.00	Plus
Next	600,000*	1.50	Plus
Next	1,000,000*	1.00	Plus
Next	3,000,000*	0.75	Plus
Excess		0.40	

* indicates “indexation” status applies, which means FWD Life may unilaterally increase the amount to which indexation applies in the immediately preceding year on 1st January in the following year, subject to the condition that FWD Life guarantees that the total percentage increase, if any, to the administration charge since the commencement of the Scheme will not exceed the total percentage increase, if any, in the “Composite Consumer Price Index” published by the Census and Statistics Department of the government of Hong Kong during the same period.

Illustration: Assuming the Net Investment Contribution for a Scheme on a Review Date is HK\$350,000, then the annual charges payable by the employer based on the above scale will be as follows –

$\text{HK\$}100,000 \times 0.035 + \text{HK\$}100,000 \times 0.030 + \text{HK\$}100,000 \times 0.025 + \text{HK\$}50,000 \times 0.020 = \text{HK\$}10,000$

Registration Charges

An initial charge of \$1,600 and a further annual charge (currently \$1,300 but subject to review on the Review Date of the Scheme) will be payable by the employer to cover the charges incurred from time to time by FWD Life and all professionals, including but not limited to, auditors and legal advisers in relation to the Scheme.

The annual charges for registration of the Scheme under ORSO (currently \$1,200) and all other charges that may be imposed thereunder will be borne directly by the employer and paid to FWD Life for forwarding to the Registrar.

Termination Charge

In the event that the Scheme is terminated within five years from the Commencement Date, a termination charge expressed as a percentage of the net asset value of the relevant Scheme as at the effective date of termination will be levied as follows:

<u>Year of Termination</u> (from Commencement Date)	<u>Termination Charge %</u>
1	5
2	4
3	3
4	2
5	1
6 or over	0

Asset Reallocation Charge

One free reallocation of assets (as instructed by the employer and/or the employee pursuant to the rules as specified by the employer under the Scheme) shall be allowed in any single Scheme Year. Unless otherwise agreed with FWD Life, further reallocations of assets in the same Scheme Year shall attract a charge of \$80 per member per reallocation, subject to a minimum charge of \$5,000 payable by the employer to FWD Life.

Contribution Redesignation Charge

No charges shall apply to redesignation of contributions.

Past Services Contributions and Transfer of Existing Fund Assets

No charges shall apply in respect of an employer making Past Service Contributions or for transferring existing fund assets to FWD Life. This is irrespective of whether the payment or transfer is made in a single lump sum or by installments over a certain period to be agreed in writing with FWD Life.

Please refer to Appendix 2 for a summary of the fees and charges imposed at the scheme level.

5.2 CHARGES AT MANAGED FUND LEVEL

Where a Managed Fund invests in the corresponding Underlying Fund, the Managed Fund will also indirectly bear a proportionate share of the fees and charges of that Underlying Fund as set out in the Underlying Fund's constitutive documents including, but are not limited to, management fees, costs of acquisition and disposal of assets, safe keeping of assets, other maintenance or administration fees, auditor's fees, legal fees, charges, taxes and duties incurred in the course of investment of the assets by the Underlying Fund. The fees and expenses pertaining to an Underlying Fund would be reflected in the prices of the units or shares of the relevant Underlying Fund. No separate fees and charges are levied at

the Managed Fund's level. For further details on the current applicable fees and charges of an Underlying Fund, please refer to the latest offering document of the Underlying Fund, which is available by the means set out in section 2 headed "INVESTMENT OPTIONS".

5.3 PAYMENT OF CHARGES

All applicable charges at the Scheme level payable by the employer to FWD Life, on the Commencement Date or on each Review Date (other than for reallocation of asset charges which shall be paid on a day when the reallocation of assets is effected by FWD Life), shall be paid either directly by the employer to FWD Life or deducted from the sums in the Capital Guarantee (CG) Account and each Managed Fund Account attributable to the employer's contributions, following the sale of the relevant assets held therein, in the same proportion as the percentage of investment allocation between the Capital Guarantee (CG) Account and the respective Managed Fund Account as specified by the employer and notified to FWD Life from time to time, at the option of the employer.

6. GENERAL INFORMATION

6.1 BENEFIT REQUEST

The employer should make a request for payment of benefit in respect of any Member who becomes eligible for benefit by completing an Employee Termination Advice Form and sending it to FWD Life, or otherwise complying with such requirements as may be specified by FWD Life from time to time subject to the ORSO. Provided that the terms of the Policy establishing the Scheme have been complied with and all contributions have been paid up to date, FWD Life will pay the relevant benefit within a month of receipt of the duly completed request and in accordance with and in such manner as is required by the rules established under the ORSO. Interest reflecting the prevailing declared rate of return will be paid on the benefit attributable to investment in the FWD Capital Guarantee Fund from the date such benefit becomes payable to the actual payment date.

6.2 ALTERATION

Subject to compliance with applicable legal and regulatory requirements, the employer reserves the right to change, modify, suspend or terminate the Scheme provided that registration of the Scheme under the ORSO is not prejudiced or cancelled.

6.3 CHANGE IN FEES AND CHARGES

Any increase in the fees and charges at the scheme level (except for adjustment to the administration charge to reflect inflation) will be subject to one month's prior written notice to employers and Members of the Scheme and to the approval by the SFC. If there are changes to the fees and charges in respect of the Investment Options, FWD Life will provide prior written notice to the employers and Members of the Scheme according to the applicable regulatory requirements.

6.4 TERMINATION OF THE POLICY OR THE POLICY CEASING TO APPLY TO THE SCHEME

Either FWD Life or the employer may terminate the Policy or cause the Policy to cease to apply to the Scheme provided:

- (a) three months' prior written notice is given by either party to the other, and
- (b) such termination has received the written consent of the Registrar.

When the Policy ceases to apply to the Scheme, FWD Life shall sell the assets held in each Managed Fund Account, if any, and transfer the proceeds thereof to the Capital Guarantee (CG) Account and pay the amount of the Capital Guarantee (CG) Account calculated as at the date of the termination. The proceeds can be paid in one lump sum or, at the discretion of FWD Life, in two installments, such lump sum or the first such installment, to be paid within three months of cessation and the remainder of such installment, if relevant, to be paid six months after payment of the first installment, to a named authorized insurer or

trustee for the purposes of the Scheme.

In cases where the Policy is terminated because the Scheme is terminated by the employer, benefits of Members will be calculated and paid as if those Members were leaving employment on the date of termination, less any applicable termination charges payable. Please refer to the heading "Termination Charge" under sub-section 5.1 headed "CHARGES AT SCHEME LEVEL" in section 5 headed "CHARGES" of this Explanatory Memorandum for further detail.

6.5 ANNUAL REPORT AND STATEMENT OF ACCOUNTS

FWD Life will provide an annual report of the Capital Guarantee (CG) Account and each Managed Fund Account to the employer on each Review Date. The relevant report will detail the respective opening and closing value of the Capital Guarantee (CG) Account and the Managed Fund Accounts together with a summary of relevant transactions made during the relevant year, the amount of contributions made and such other information as is required under ORSO.

FWD Life will also provide a statement of accounts to each employee setting out the balance held in the Capital Guarantee (CG) Account and the value of assets invested in the Managed Funds on each Review Date together with a summary of relevant transactions made during the relevant year, the amount of contributions made and such other information as is required under ORSO.

6.6 GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of Hong Kong. Employers and Members have a right to bring a legal action in the Hong Kong courts as well as in any court which has a relevant connection with the Scheme.

6.7 REBATE

FWD Life currently does not have any rebate or soft commission arrangement in respect of the Scheme.

Neither FWD Life nor any of its connected persons or delegates may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the investment of the Scheme to such broker or dealer, save that goods and services (soft dollars) may be retained if:

- (a) the goods or services to be provided pursuant thereto are of demonstrable benefit to the Members of the Scheme;
- (b) the transaction executed is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates; and
- (c) adequate prior disclosure is made in the Explanatory Memorandum of the Scheme.

For the avoidance of doubt, research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications may be considered as of such benefit to the Members of the Scheme. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

6.8 TAXATION

A retirement scheme registered under ORSO will have the following tax consequences:

6.8.1 FOR THE EMPLOYEE

The employee is not liable to salaries tax on sums payable under the Scheme upon death, incapacity or retirement (as defined in the IRO). In addition, this exemption applies on termination of service with the relevant employer, subject to a limit of 15% of the employee's income from employment multiplied by the number of completed months service with the employer divided by 120. However, this exemption does not apply if an employer terminates a scheme and pays out benefit to the Members without terminating their services.

The employer's contributions are not taxable on the employee. For salary tax purposes, where an employee is a member of an MPF-exempted ORSO scheme, contributions by an employee are tax deductible, but subject to the permitted maximum limit, being HK\$15,000 per year for the year of assessment 2013-14 and each subsequent year of assessment.

6.8.2 FOR THE EMPLOYER

The employer's normal contributions to a registered scheme may be deducted for profits tax purposes to the extent that they do not exceed 15% of the employee's total income from employment. Excess contributions are not tax deductible. The normal tests laid down for deductibility of expenses will apply.

The employer is also given relief for special contributions made to a registered retirement scheme, spread over five annual installments. If the special contributions are themselves made in installments, one-fifth of each installment is allowed annually.

6.8.3 FOR THE PLAN

The Plan is not expected to be subject to Hong Kong tax in respect of any of its authorized activities.

The above information is provided for guidance only on the basis of Hong Kong law in force at the date of this Explanatory Memorandum. Employers and Members should appreciate

that as a result of changing law or practice, the taxation consequences of participating in the Plan may change. The above is not intended to be comprehensive and should not be relied upon as a substitute for detailed and specific advice. Employees and Members should seek professional advice regarding their own particular tax circumstances.

6.9 FOREIGN ACCOUNT TAX COMPLIANCE ACT

The US has introduced the FATCA provisions under the US Hiring Incentives to Restore Employment Act in 2010 to address potential tax evasion by certain US persons holding financial assets and accounts via non-US (i.e., foreign) entities. Unless the Plan and/or the Scheme qualifies for exemption or deemed-compliant status under the FATCA provisions and/or applicable intergovernmental agreement with the US, FATCA provides that a 30% US withholding tax will be imposed on certain US payments constituting “withholdable payments” (and, according to presently available guidance, the withholding will also apply, beginning in 2017, to gross proceeds of the disposal of an asset which produces certain withholdable payments and potentially to payments treated under FATCA as “foreign passthru payments”) received by the Plan and/or the Scheme (where applicable) unless the Plan or the Scheme (where applicable), respectively, agrees to be subject to the terms of an agreement with the US IRS to, among others, identify, document and disclose the name, address, US taxpayer identification number of certain Members that are US persons that own, directly or indirectly, an interest in the Plan or the Scheme (where applicable), as well as other information relating to any such interest. Certain undocumented or non-compliant Members in the Plan or the Scheme may also be subject to reporting to the IRS.

The Hong Kong government has announced that Hong Kong and the US have substantially concluded discussion on the entering of a Hong Kong IGA with the US to facilitate the implementation of FATCA. Each of the Plan and the Scheme (where applicable) will be subject to a Hong Kong IGA and, therefore, they would be obligated to perform certain obligations, including the implementation of prescribed due diligence procedures to identify and report certain U.S. accounts and certain other account information to the US IRS.

To ensure compliance with FATCA, the Plan and the Scheme (if applicable) have already registered with the US IRS as of the date of this Explanatory Memorandum. To the extent that a Scheme does not qualify for one or more of the exemptions or certified deemed-compliant status under the Hong Kong IGA, such Scheme should register with the US IRS.

In view of the above, employers and Members may be required to provide certain information as required under FATCA and/or Hong Kong IGA to the Plan, the Scheme (where applicable) and/or FWD Life, including self-certification and/or other documents to establish their FATCA status as well as consents to the reporting of relevant information to the US IRS, if applicable. Requests for such information and/or documents will be made with a view to complying with the relevant FATCA and/or Hong Kong IGA requirements. Further requests may be made when there is any change in circumstances that would affect an employer or Member’s FATCA status or when there is reason for the Plan, the Scheme (where applicable) and/or FWD Life to know that the information and/or documents previously provided require updates and/or clarification. The employers and Members should agree to the

provision of additional information upon request by the Plan, the Scheme (where applicable) and/or FWD Life and consent to the disclosure of collected information to the local or overseas governments, regulatory and/or taxation authorities and counterparties under applicable laws, regulations and/or intergovernmental agreements. In addition, the employers and Members agree to inform the Plan, the Scheme and/or FWD Life of any change in circumstances (including changes that may affect the FATCA status of the employers or Members) or to information provided such as name, address, US taxpayer identification number within 30 days of the relevant change.

Each of the Plan and the Scheme (where applicable) will attempt to satisfy any obligations imposed on it under FATCA and/or Hong Kong IGA to avoid the imposition of withholding tax. The ability of the Plan and/or the Scheme (where applicable) to satisfy the obligations under FATCA and/or Hong Kong IGA may depend on employers and Members providing the Plan, the Scheme (where applicable) and/or FWD Life with any information, including information concerning certain direct or indirect owners of the employer, that the Plan, the Scheme (where applicable) and/or FWD Life determine that are necessary to satisfy such obligations. Failure by the employer or Member to comply with any of the said requests may result in reporting to the IRS and possibly withholding to the employer or Member under FATCA or Hong Kong IGA. In addition, the Plan and/or the Scheme (where applicable) may suffer US withholding tax on the investments as a result of non-compliance and the value of the Plan and/or the Scheme (where applicable) may be adversely affected. Employers or Members should consult with their own tax advisor as to the potential impact of FATCA with respect to their own tax position.

6.10 ENQUIRIES

Members may call or write to FWD Life for any enquiries in relation to the Scheme:

FWD Life Insurance Company (Bermuda) Limited
1/F., FWD Financial Centre
308 Des Voeux Road Central
Sheung Wan
Hong Kong

Enquiry hotline: +852 3183 1900

FWD Life will handle or channel to the relevant party any enquiries from Members and revert accordingly.

Members may access the website of FWD Life at www.fwd.com.hk for further information on the Plan. This website has not been reviewed or authorized by the SFC.

APPENDIX 1

Information regarding the Investment Options, together with an overview of their corresponding Underlying Funds (if applicable), is set out below. FWD Life will, where practicable, give reasonable notice to employers and Members of any material change to this overview according to the applicable regulatory requirements. For further details about the investment objectives and policies, asset allocation targets as well as other investment related information of the Underlying Funds, please refer to the latest offering document of each Underlying Fund, which is available by the means set out in section 2 headed "INVESTMENT OPTIONS" of this Explanatory Memorandum.

Employer and Members should ensure that they fully understand the nature of and the risks associated with investments in any Investment Options and are strongly advised to seek independent financial and/or professional advice before making any investment decision.

1. FWD CAPITAL GUARANTEE FUND

FWD Capital Guarantee Fund is an insurance policy issued by FWD Life that guarantees the declared rate of return every year during the period of ten years from the Commencement Date of this Scheme shall be not less than 0% per annum on the total contributions made to the FWD Capital Guarantee Fund, less any withdrawals and other applicable charges and fees. The annual declared rate will be announced after each fiscal year end of the FWD Capital Guarantee Fund normally in December each year. To obtain the annual declared rate of return, the employer and employee contributions must be retained in the FWD Capital Guarantee Fund until the announcement of the declared rate for the immediate preceding fiscal year; otherwise the interim declared rate of return shall be given. Such guarantee shall remain unchanged until the expiry of such period of ten years or the termination of this Scheme, whichever is the earlier. The guarantee is provided by FWD Life. Any investment in the FWD Capital Guarantee Fund is subject to the credit risks of FWD Life. In case there is any shortfall, FWD Life will make up the difference for a period of ten years from the Commencement Date of this Scheme.

Subject to this guarantee, the declared rate of return will be determined entirely at FWD Life's discretion. Moreover, FWD Life, at its sole discretion, has the right to retain any investment income of the FWD Capital Guarantee Fund in excess of the declared and guaranteed benefits under the FWD Capital Guarantee Fund.

After ten years from the Commencement Date of the Scheme, unless FWD Life decides otherwise, the guarantee will lapse.

FWD Capital Guarantee Fund is an insurance scheme. Under the ICO, FWD Life has to maintain a segregated fund supporting policies of this kind. Assets in the fund are legally owned by FWD Life but are kept separately from other funds held by FWD Life. The policyholder only has a contractual right to claim the amount representing the fund balance from FWD Life. Your investment in the FWD Capital Guarantee Fund is therefore subject to the credit risks of FWD Life.

(a) Investment Objective and Restrictions

The investment objective of the FWD Capital Guarantee Fund is to preserve the capital of its assets. For this purpose, not less than two-thirds of the sums held in the FWD Capital Guarantee Fund will be invested in high quality worldwide fixed-income securities (quoted or unquoted) with credit ratings issued by Standard and Poor or Moody's or any other equivalent reputable rating agency of "A" or above. The balance of the sums held in the FWD Capital Guarantee Fund may be invested in worldwide blue-chip securities and other assets either through direct investment or through collective investment schemes which may or may not be authorized by the SFC.

FWD Life will adopt an asset allocation strategy focusing on the quality of assets rather than geographical distribution of the investments. The FWD Capital Guarantee Fund is compliant with Section 27 of the ORSO requirements and the MPF Exemption Regulation.

The investment and borrowing restrictions of the MPF Exemption Regulation shall apply in respect of the FWD Capital Guarantee Fund and in particular:-

- No more than 15% of the investment assets will be invested in precious metals, commodities, real estate, warrants, futures, options, bonds rated below "A" by Standard and Poor or Moody's or any other equivalent reputable rating agency and rights and other interest in these assets.
- No borrowing shall exceed 10% of the investment assets of the FWD Capital Guarantee Fund and any such borrowing shall only be made on a temporary basis.
- No asset which assumes an unlimited liability may be acquired by any person or on behalf of the FWD Capital Guarantee Fund.

(b) Base Currency

The base currency of FWD Capital Guarantee Fund is Hong Kong Dollar.

(c) Illustration of the Guarantee Mechanism

Assumptions

1. Contributions being deposited at the beginning of each month equal to 10% of salary: 5% from the employee and 5% from the employer.
2. The annual salary increment is 8%.
3. The following contributions are net of all applicable charges.
4. Scheme commencement date: January 1, 2014
5. Employees' information:

<u>Employee</u>	<u>Date Joined Scheme</u>	<u>Starting Salary</u>
A	January 1, 2014	HK\$10,000
B	January 1, 2018	HK\$10,000

Numerical Illustration

The following table shows the respective scheme balances for each of employees A and B.

Year	Declared Rate	Employee A – Fund Bal (HK\$)			Employee B – Fund Bal (HK\$)		
		Contri- butions	Interest #	Entitlement	Contri- butions	Interest	Entitlement
1	15.0%	12,000	954	12,954	-	-	-
2	5.0%	12,960	996	26,910	-	-	-
3*	0.0%	13,997	0	40,907	-	-	-
4	3.0%	15,117	1,472	57,495	-	-	-
5	5.0%	16,326	3,314	77,135	12,000	323	12,323
6	10.0%	17,632	8,655	103,421	12,960	1,924	27,207
7	11.0%	19,042	12,493	134,957	13,997	3,813	45,017
8*	0.0%	20,566	0	155,523	15,117	0	60,133
9	4.0%	22,211	6,699	184,433	16,326	2,757	79,216
10	8.0%	23,988	15,782	224,203	17,632	7,092	103,940
11	5.0%	25,907	11,907	262,017	19,042	5,709	128,692
12	7.0%	27,980	19,391	309,388	20,566	9,780	159,038
13	2.0%	30,218	6,514	346,120	22,211	3,421	184,670
14	4.0%	32,635	14,548	393,303	23,988	7,903	216,561
15	6.0%	35,246	24,733	453,283	25,907	13,828	256,296

Interest payments are net of all applicable charges.

Please note:

1. The above declared rate and examples are for illustration only and serves only as an estimate of possible future values and benefits. The figures noted above are not necessarily indicative of the rate of return likely to be secured by investment in the FWD Capital Guarantee Fund. The actual rate at which interest has been credited to the FWD Capital Guarantee Fund for the past years are shown in the sub-section headed "Investment Performance" below. Investment involves risks and investment return may fluctuate.
2. The benefit payable to an employee for leaving service before normal retirement age will be determined according to the column headed "Entitlement", which equals the previous year's entitlement plus the current year's contributions plus interest earned, adjusted accordingly to the applicable vesting percentage.
3. Employee B joined four years after the commencement date of the scheme and consequently enjoyed only six years of guarantee offered by the FWD Capital Guarantee Fund.
4. At the end of Year 3 and Year 8, FWD Life declared a 0% interest rate to provide the guaranteed benefits notwithstanding the fact that the FWD Capital Guarantee Fund may have suffered a loss with a negative investment return.
5. After Year 10, the guarantee lapses unless FWD Life decides otherwise in its absolute discretion.

(d) Investment Performance

The FWD Capital Guarantee Fund is denominated in Hong Kong dollars and the investment returns for the past five years are:

<u>Year</u>	<u>Annual Declared Rate (from 1 Oct to 30 Sep)</u>
2013/2014	3.10%
2012/2013	3.05%
2011/2012	3.15%
2010/2011	3.60%
2009/2010	5.10%
2008/2009	5.25%

Source : FWD Life Insurance Company (Bermuda) Ltd. Please refer to the fund fact sheet for further detail, including the latest declared rate.

Note : The above are historical rates FWD Life has declared in respect of FWD Capital Guarantee Fund for the past five years. Please note that **the declared rate is the actual rate at which interest has been credited to the FWD Capital Guarantee Fund and that no deductions are made by FWD Life from such interest**. Please also note that the figures are for indication only and that past performance is not necessarily a guide to future performance. Investment return may fluctuate. The annual declared rate will be announced by FWD Life after each fiscal year ending on the 30th September of the FWD Capital Guarantee Fund or on such other date as determined by FWD Life from time to time. To obtain the annual declared rate of return, the contributions must be retained in the FWD Capital Guarantee Fund until the announcement of the declared rate for the immediate preceding fiscal year; otherwise, the interim declared rate of return will apply for determining the investment return.

The interest will be credited to the Capital Guarantee (CG) Account on each Review Date (or the termination of the Scheme).

2. GLOBAL – ASIA PACIFIC FUND

Monies of this Managed Fund will be solely invested in the Class “A-2” Shares of the Aberdeen Global - Asia Pacific Equity Fund (“**Asia Pacific Equity Fund**”).

Details of the Asia Pacific Equity Fund are summarized below:

(a) Investment Manager of Asia Pacific Equity Fund

Aberdeen Asset Management Asia Limited

(b) Investment Objective

Asia Pacific Equity Fund seeks to pursue long-term total return by investing at least two-thirds of its assets in equities and equity-related securities of companies with registered offices in Asia Pacific countries (excluding Japan), and/or of companies which have the preponderance of their business activities in Asia Pacific countries (excluding Japan), and/or of holding companies that have the preponderance of their assets in companies with their registered office in Asia Pacific countries (excluding Japan).

(c) Base Currency

The base currency of Asia Pacific Equity Fund is US Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Asia Pacific Equity Fund for further detail.

3. GLOBAL FUND

Monies of this Managed Fund will be solely invested in the Class “A” [(Ydis / acc)] Shares of the Templeton Global Fund, a sub-fund of Franklin Templeton Investment Funds.

Details of the Templeton Global Fund are summarized below:

(a) Investment Manager of Templeton Global Fund

Templeton Global Advisors Limited

(b) Investment Objective

Templeton Global Fund seeks capital appreciation through a policy of investing in equity and debt obligations of companies and governments of any nation throughout the world, including emerging markets. Templeton Global Fund invests principally in common stocks. It may also seek investment opportunities in other types of securities such as preferred stock, securities convertible into common stock and fixed income securities, which are US dollar and non-US dollar denominated.

(c) Base Currency

The base currency of the Templeton Global Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Templeton Global Fund for further detail.

4. GLOBAL BALANCED FUND

Monies of this Managed Fund will be solely invested in the Class “A” [(Qdis / acc)] Shares of the Templeton Global Balanced Fund, a sub-fund of Franklin Templeton Investment Funds.

Details of the Templeton Global Balanced Fund are summarized below:

(a) Investment Managers of Templeton Global Balanced Fund

Franklin Templeton Investment Management Limited and Franklin Advisors, Inc. as co-investment managers

(b) Investment Objective

Templeton Global Balanced Fund seeks capital appreciation and current income, consistent with prudent investment management, by investing principally in equity securities and government debt securities issued by entities throughout the world, including emerging markets. The investment managers anticipate that the majority of Templeton Global Balanced Fund’s portfolio will normally be invested in equity or equity-linked securities, including debt or preferred stock convertible or exchangeable into equities securities, selected principally on the basis of their capital growth potential. Templeton Global Balanced Fund seeks income by investing in fixed or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide. Templeton Global Balanced Fund may also purchase debt obligations issued by supra-national entities organized or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. Templeton Global Balanced Fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the investment managers invest more than 40% of Templeton Global Balanced Fund’s total net assets into fixed income securities.

Templeton Global Balanced Fund may also utilise financial derivative instruments for hedging purposes and/or efficient portfolio management. These financial derivative instruments may be dealt on either (i) regulated markets, such as futures contracts (including those on government securities), as well as options or (ii) over-the-counter such as currency, exchange rate, and interest rate related swaps and forwards.

(c) Base Currency

The base currency of Templeton Global Balanced Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Templeton Global Balanced Fund for further detail.

5. GLOBAL BOND FUND

Monies of this Managed Fund will be solely invested in the Class “A” Shares of the Templeton Global Bond Fund, a sub-fund of Franklin Templeton Investment Funds.

Details of the Templeton Global Bond Fund are summarized below:

(a) Investment Manager of Underlying Fund

Franklin Advisers, Inc.

(b) Investment Objective

Templeton Global Bond Fund seeks to maximize, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing principally in a portfolio of fixed or floating rate debt securities (including non-investment grade securities) and debt obligations issued by government or government-related issuers worldwide. Templeton Global Bond Fund may also, in accordance with the investment restrictions, invest in debt securities (including non-investment grade securities) of corporate issuers. Templeton Global Bond Fund may also purchase debt obligations issued by supra-national entities organized or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. Templeton Global Bond Fund also utilizes financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may be dealt either in regulated markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. Templeton Global Bond Fund may also invest in securities or structured products where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. Templeton Global Bond Fund may hold up to 10% of its total net assets in securities in default. It may purchase fixed income securities and debt obligations denominated in any currency, and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

(c) Base Currency

The base currency of the Templeton Global Bond Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Templeton Global Bond Fund for further detail.

6. HONG KONG CHINA FUND

Monies of this Managed Fund will be solely invested in the Class ["A/C"] units of the Baring Hong Kong China Fund, a sub-fund of The Baring International Umbrella Funds.

Details of the Baring Hong Kong China Fund are summarized below:

(a) Investment Manager of Baring Hong Kong China Fund

Baring International Fund Managers (Ireland) Limited (sub-advised by Baring Asset Management (Asia) Limited).

(b) Investment Objective

Baring Hong Kong China Fund seeks to achieve long-term capital growth in the value of assets by investing in Hong Kong, China or Taiwan. Baring Hong Kong China Fund invests at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in, or exercising the predominated part of their economic activity in Hong Kong or China, or quoted or traded on the stock exchanges in those countries. For this purpose, total assets exclude cash and ancillary liabilities. The investment manager may also invest in companies incorporated in, or exercising the predominant part of the economic activity in Taiwan or quoted or traded on the Taiwan stock exchange. The portfolio will be balanced according to the investment manager's assessment of investment prospects but may, depending upon the underlying investment conditions, emphasize investment in companies operating in those sector of the Hong Kong or China economies that, in the investment manager's opinion, provide the determinants for Hong Kong's or China's economies growth such as those involved in international trade, property and construction activity, engineering, electronics or the service sectors.

(c) Base Currency

The base currency of the Baring Hong Kong China Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Baring Hong Kong China Fund for further detail.

7. AMERICAN GROWTH FUND

Monies of this Managed Fund will be solely invested in Class “A” Shares of the Fidelity Funds – American Growth Fund, a sub-fund of Fidelity Funds SICAV.

Details of the Fidelity Funds – American Growth Fund are summarized below:

(a) Investment Manager of Fidelity Funds – American Growth Fund

FIL Fund Management Limited.

(b) Investment Objective

Fidelity Funds – American Growth Fund seeks to provide investors with long-term capital growth from diversified and actively managed portfolios of securities. The income from Fidelity Funds – American Growth Fund is expected to be low. Fidelity Funds – American Growth Fund will invest at least 70% of its net asset value (and normally 75%) in a focused portfolio of the shares of companies having their head office or main activities in the U.S..

(c) Base Currency

The base currency of the Fidelity Funds – American Growth Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Fidelity Funds – American Growth Fund for further detail.

8. EUROPEAN GROWTH FUND

Monies of this Managed Fund will be solely invested in Class “A” Shares of the Fidelity Funds – European Growth Fund, a sub-fund of Fidelity Funds SICAV.

Details of the Fidelity Funds – European Growth Fund are summarized below:

(a) Investment Manager of Underlying Fund

FIL Fund Management Limited.

(b) Investment Objective

The aim of the Fidelity Funds – European Growth Fund is to provide investors with long-term capital growth from diversified and actively managed portfolios of securities. The income from Fidelity Funds – European Growth Fund is expected to be low. Fidelity Funds – European Growth Fund will invest at least 70% of its net asset value (and normally 75%) in equities securities quoted on European stock exchanges.

(c) Base Currency

The base currency of the Fidelity Funds – European Growth Fund is the Euro.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of the Fidelity Funds – European Growth Fund for details.

APPENDIX 2
Cost Summary Table

Scheme Level		
<u>Fees and Charges</u>	<u>Amount</u>	<u>Remarks</u>
Administration Charge	HK\$750 p.a. plus HK\$30 per member p.a.	Subject to an overall minimum of HK\$1,000 Based on number of Members at the beginning of the Scheme Year
Net Investment Contribution Charge	3.5% p.a. declining to 0.4% p.a. of the Net Investment Contribution	The percentage decreases as the contribution received in a Scheme Year increases
Registration Charge	HK\$1,600 HK\$1,300 p.a.	Initial charge Subsequent annual charge (subject to change)
ORSO Registration Charge	HK\$1,200 Initial charge HK\$1,200 Annual charge	For scheme registered under ORSO, also other charges may be imposed
Termination Charge (only applicable if termination initiated by employer)	5% decreasing to 1% depending on the policy year of termination	For the first five Scheme Years
Asset Reallocation Charge	1 (or otherwise agreed with FWD Life) free reallocation in any one single Scheme Year.	Further reallocations in the same Scheme Year shall attract a charge of HK\$80 per member per reallocation, subject to a minimum charge of HK\$5,000.

FWD Multi-Funding Provident Plan
First Addendum to the Explanatory Memorandum dated July 2015

This First Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (“**Plan**”) dated July 2015 (the “**Explanatory Memorandum**”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this First Addendum as at the date of publication. All capitalised terms used in this First Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 30 December 2016.

Page 4 DEFINITIONS

With immediate effect, the definition of “**Hong Kong IGA**” shall be deleted and replaced with the following:

““**Hong Kong IGA**” the intergovernmental agreement entered between Hong Kong and the US for implementation of FATCA”

Page 31 APPENDIX 1 1. FWD CAPITAL GUARANTEE FUND

With immediate effect, the first paragraph under the sub-section headed “(d) Investment Performance” shall be deleted and replaced with the following:

“The FWD Capital Guarantee Fund is denominated in Hong Kong dollars and the investment returns for the past five years are:

<u>Year</u>	<u>Annual Declared Rate (from 1 Oct to 30 Sep)</u>
2015/2016	2.2%
2014/2015	2.2%
2013/2014	3.10%
2012/2013	3.05%
2011/2012	3.15%

Source: FWD Life Insurance Company (Bermuda) Ltd. Please refer to the fund fact sheet for further detail, including the latest declared rate.”

The following new paragraph shall be inserted immediately after the paragraph under the sub-section headed “(b) Investment Objective”:

“For the purpose of generating additional capital or income or for reducing costs or risks, Templeton Global Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the Templeton Global Fund only.”

The paragraphs under the sub-section headed “(b) Investment Objective” shall be deleted and replaced with the following:

“Templeton Global Balanced Fund seeks capital appreciation and current income, consistent with prudent investment management. Templeton Global Balanced Fund seeks to achieve its objective by investing principally in equity securities and government debt securities issued by entities throughout the world, including emerging markets. The investment managers anticipate that the majority of Templeton Global Balanced Fund’s portfolio will normally be invested in equity or equity-linked securities, including debt or preferred stock convertible or exchangeable into equities securities, selected principally on the basis of their capital growth potential. Templeton Global Balanced Fund seeks income by investing in fixed or floating rate debt securities (including up to 5% of Templeton Global Balanced Fund’s net assets in non-investment grade securities) and debt obligations issued by government and government-related issuers or corporate entities worldwide. Templeton Global Balanced Fund may also purchase debt obligations issued by supra-national entities organized or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. Templeton Global Balanced Fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the investment managers invest more than 40% of Templeton Global Balanced Fund’s total net assets into fixed income securities.

Templeton Global Balanced Fund may also utilise financial derivative instruments for hedging purposes and/or efficient portfolio management. These financial derivative instruments may be dealt on either (i) regulated markets, such as futures contracts (including those on government securities), as well as options or (ii) over-the-counter such as currency, exchange rate, and interest rate related swaps and forwards.

For the purpose of generating additional capital or income or for reducing costs or risks, Templeton Global Balanced Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of Templeton Global Balanced Fund only.”

The paragraph under the sub-section headed “(b) Investment Objective” shall be deleted and replaced with the following:

“Templeton Global Bond Fund seeks to maximize, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing principally in a portfolio of fixed or floating rate debt securities (including non-investment grade securities) and debt obligations issued by government or government-related issuers worldwide. Templeton Global Bond Fund may also, in accordance with the investment restrictions, invest in debt securities (including non-investment grade securities) of corporate issuers. Templeton Global Bond Fund may also purchase debt obligations issued by supra-national entities organized or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. Templeton Global Bond Fund also utilizes financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. These financial derivative instruments may be dealt either in regulated markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps or fixed income related total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. Templeton Global Bond Fund may also invest in securities or structured products (such as credit-linked securities) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. Templeton Global Bond Fund may hold up to 10% of its total net assets in securities in default. It may purchase fixed income securities and debt obligations denominated in any currency, and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

Templeton Global Bond Fund may invest up to 25% of its net assets in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase (such as Brazil, Colombia, Egypt, Hungary, Indonesia, Italy, Mainland China, Malaysia, Mexico, Portugal, Russia, Spain and Ukraine). Such investments (if any) are made based on the professional judgment of the Investment Manager whose reasons for investment may include a favourable/positive outlook on the sovereign issuer, potential for rating upgrades and the expected changes in the value of such investments due to rating changes. Please note that the abovementioned sovereigns are named for reference only and are subject to change as their credit ratings may change from time to time.”

FWD Life Insurance Company (Bermuda) Limited
28 December 2016

FWD Multi-Funding Provident Plan
Second Addendum to the Explanatory Memorandum dated July 2015

This Second Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (“Plan”) dated July 2015, as amended by the First Addendum dated 28 December 2016 (the “Explanatory Memorandum”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this Second Addendum as at the date of publication. All capitalised terms used in this Second Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 12 November 2018.

Page 4 **DEFINITIONS**

The definition of “AEOI” shall be added before the definition of “Business Day” as follows:

““AEOI” automatic exchange of financial account information implemented under the IRO”

The definition of “CAA” shall be added after the definition of “Business Day” as follows:

““CAA” a competent authority agreement entered into by Hong Kong with the relevant jurisdiction for AEOI”

The definition of “Hong Kong IRD” shall be added after the definition of “Hong Kong IGA” as follows:

““Hong Kong IRD” Hong Kong Inland Revenue Department”

The definition of “ICO” shall be deleted and replaced with the following:

““IO” the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong), as amended from time to time together with any regulations and rules made thereunder”

Accordingly, all references to “ICO” in the Explanatory Memorandum shall be deleted and replaced with “IO”.

The definition of “IRO” shall be added after the definition of “IO” as follows:

““IRO” the Inland Revenue (Amendment) (No.3) Ordinance”

Page 8 **INVESTMENT ALLOCATIONS**

The third paragraph of the sub-section headed “Investment Allocation” shall be deleted and replaced with the following:

“Currently, the Plan offers the following Investment Options for investment by employers and employees:

- FWD Capital Guarantee Fund
- Global – Asia Pacific Fund
- Global Fund
- Global Balanced Fund
- Global Bond Fund
- Hong Kong China Fund
- American Growth Fund
- European Growth Fund
- Asia Opportunities Equity Fund”

Page 12 **INVESTMENT OPTIONS**

The first sentence of the third paragraph of the section headed “Investment Options” shall be deleted and replaced with the following:

“Currently, the Plan offers nine Investment Options for investment by employers and employees.”

Page 19 **4.1 ROLE OF FWD LIFE**

The first paragraph of the section headed “Role of FWD Life” shall be deleted and replaced with the following:

“As one of the major authorized insurers in Hong Kong, FWD Life is committed to offering customers a comprehensive range of insurance products and services. We also contribute our experience to providing pension services to corporate and individual customers, with our experience in pension since 1985.”

Page 20 **5.1 CHARGES AT SCHEME LEVEL**

The second paragraph of the subsection headed “Registration Charges” shall be deleted and replaced with the following:

“The annual charge for registration of the Scheme under ORSO payable to the Registrar (currently HK\$1,800) and all other charges that may be imposed thereunder will be borne directly by the employer and paid to FWD Life for forwarding to the Registrar.”

Pages 26-27

6.9 FOREIGN ACCOUNT TAX COMPLIANCE ACT

The sub-section headed “Foreign Account Tax Compliance Act” shall be deleted and replaced with the following:

“The US has introduced the FATCA provisions under the US Hiring Incentives to Restore Employment Act in 2010 to address potential tax evasion by certain US persons holding financial assets and accounts via non-US (i.e., foreign) entities. Unless the Plan and/or the Scheme qualifies for exemption or deemed-compliant status under the FATCA provisions and/or applicable intergovernmental agreement with the US, FATCA provides that a 30% US withholding tax will be imposed on certain US payments constituting “withholdable payments” (and, according to presently available guidance, the withholding will also apply, beginning in 2017, to gross proceeds of the disposal of an asset which produces certain withholdable payments and potentially to payments treated under FATCA as “foreign passthru payments”) received by the Plan and/or the Scheme (where applicable) unless the Plan or the Scheme (where applicable), respectively, agrees to be subject to the terms of an agreement with the US IRS to, among others, identify, document and disclose the name, address, US taxpayer identification number of certain Members that are US persons that own, directly or indirectly, an interest in the Plan or the Scheme (where applicable), as well as other information relating to any such interest. Certain undocumented or non-compliant Members in the Plan or the Scheme may also be subject to reporting to the IRS.

The Hong Kong government has entered into a Hong Kong IGA with the US to facilitate the implementation of FATCA. Each of the Plan and the Scheme (where applicable) will be subject to a Hong Kong IGA and, therefore, they would be obligated to perform certain obligations, including the implementation of prescribed due diligence procedures to identify and report certain U.S. accounts and certain other account information to the US IRS.

To ensure compliance with FATCA, the Plan and the Scheme (if applicable) have already registered with the US IRS as of the date of this Explanatory Memorandum. To the extent that a Scheme does not qualify for one or more of the exemptions or certified deemed-compliant status under the Hong Kong IGA, such Scheme should register with the US IRS.

In view of the above, employers and Members may be required to provide certain information as required under FATCA and/or Hong Kong IGA to the Plan, the Scheme (where applicable) and/or FWD Life, including self-certification and/or other documents to establish their FATCA status as well as consents to the reporting of relevant information to the US IRS, if applicable. Requests for such information and/or documents will be made with a view to complying with the relevant FATCA and/or Hong Kong IGA requirements. Further requests may be made when there is any change in circumstances that would affect an employer or

Member's FATCA status or when there is reason for the Plan, the Scheme (where applicable) and/or FWD Life to know that the information and/or documents previously provided require updates and/or clarification. The employers and Members should agree to the provision of additional information upon request by the Plan, the Scheme (where applicable) and/or FWD Life and consent to the disclosure of collected information to the local or overseas governments, regulatory and/or taxation authorities and counterparties under applicable laws, regulations and/or intergovernmental agreements. In addition, the employers and Members agree to inform the Plan, the Scheme and/or FWD Life of any change in circumstances (including changes that may affect the FATCA status of the employers or Members) or to information provided such as name, address, US taxpayer identification number within 30 days of the relevant change.

Each of the Plan and the Scheme (where applicable) will attempt to satisfy any obligations imposed on it under FATCA and/or Hong Kong IGA to avoid the imposition of withholding tax. The ability of the Plan and/or the Scheme (where applicable) to satisfy the obligations under FATCA and/or Hong Kong IGA may depend on employers and Members providing the Plan, the Scheme (where applicable) and/or FWD Life with any information, including information concerning certain direct or indirect owners of the employer, that the Plan, the Scheme (where applicable) and/or FWD Life determine that are necessary to satisfy such obligations. Failure by the employer or Member to comply with any of the said requests may result in reporting to the IRS and possibly withholding to the employer or Member under FATCA or Hong Kong IGA. In addition, the Plan and/or the Scheme (where applicable) may suffer US withholding tax on the investments as a result of non-compliance and the value of the Plan and/or the Scheme (where applicable) may be adversely affected. Employers or Members should consult with their own tax advisor as to the potential impact of FATCA with respect to their own tax position."

Pages 26-27 **6.9A AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT
INFORMATION**

A new sub-section headed "Automatic Exchange of Financial Account Information" shall be added after the sub-section headed "Foreign Account Tax Compliance Act" as follows:

"The IRO came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the AEOI. The AEOI requires financial institutions in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with Hong Kong financial institutions, and exchange such information with the jurisdiction(s) in which that account holder is tax resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a CAA; however, FWD Life, the Plan, the Scheme (where applicable) and/or their agents may further collect information relating to tax residents of other jurisdictions.

FWD Life, the Plan and the Scheme (where applicable) are required to comply with the requirements of AEOI as implemented by Hong Kong, which means that FWD Life, the Plan,

the Scheme (where applicable) and/or its agents shall collect and provide to the Hong Kong IRD tax information relating to Members.

The AEOI rules as implemented by Hong Kong require FWD Life, the Plan, the Scheme (where applicable) to, amongst other things: (i) register as a "Reporting Financial Institution" with the Hong Kong IRD; (ii) conduct due diligence on its accounts (i.e., Members) to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes; and (iii) report to the Hong Kong IRD information on such Reportable Accounts. The Hong Kong IRD is expected on an annual basis commencing from the year 2018 to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong financial institutions should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the IRO, details of Members, including but not limited to their name, date of birth, jurisdiction of birth, address, tax residence, taxpayers identification number, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the Hong Kong IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

By participating in the Plan and the Scheme (where applicable), Members acknowledge that they may be required to provide additional information to FWD Life, the Plan, the Scheme (where applicable) and/or their agents in order for FWD Life, the Plan, the Scheme (where applicable) to comply with AEOI.

Each Member should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment and participation in the Plan and the Scheme (where applicable)."

The first paragraph under the sub-section headed "(d) Investment Performance" shall be deleted and replaced with the following:

“The FWD Capital Guarantee Fund is denominated in Hong Kong dollars and the investment returns for the past five years are:

Year	Annual Declared Rate (from 1 Oct to 30 Sep)
<u>2016/2017</u>	<u>2.4%</u>
2015/2016	2.2%
2014/2015	2.2%
2013/2014	3.10%
2012/2013	3.05%

Source: FWD Life Insurance Company (Bermuda) Ltd. Please refer to the fund fact sheet for further details, including the latest declared rate.”

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APPENDIX 1

8. EUROPEAN GROWTH FUND

The following shall be added after the sub-section headed “8. EUROPEAN GROWTH FUND” in Appendix 1:

“9. ASIA OPPORTUNITIES EQUITY FUND

Monies of this Managed Fund will be solely invested in Class “A” Shares of the Invesco Asia Opportunities Equity Fund, a sub-fund of Invesco Funds.

Details of the Invesco Asia Opportunities Equity Fund are summarized below:

(a) Investment Manager of Underlying Fund

Invesco Hong Kong Limited

(b) Investment Objective

To provide long-term capital growth from a diversified portfolio of investments in Asian companies, with the potential for growth, including investments in small to medium-sized companies with a market capitalisation of less than US\$1 billion. Invesco Asia Opportunities Equity Fund invests at least 70% of its net asset value in equity or equity related securities issued by companies with their registered office in an Asian country or with their registered office outside of Asia but carrying out their business activities predominantly in Asia or holding companies, the interests of which are predominantly invested in companies with their registered office in an Asian country.

Up to 30% of the net asset value of Invesco Asia Opportunities Equity Fund may be invested in cash and cash equivalents, money market instruments, equity and equity related instruments issued by companies and other entities not meeting the above

requirement or debt securities (including convertible debt) of issuers worldwide. For the avoidance of doubt, less than 30% of the net asset value of Invesco Asia Opportunities Equity Fund may be invested in debt securities (including convertible debt).

Not more than 10% of the net asset value of Invesco Asia Opportunities Equity Fund may be invested in securities issued by or guaranteed by a country which is unrated (debt securities which are not rated by any international rating agency such as Moody's, Standard & Poor's and Fitch) and/or whose credit rating is below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor's and Fitch, or below Baa3 from Moody's or an equivalent rating from an internationally recognized rating agency).

Investments in China A Shares and China B Shares shall not exceed 10% of the net asset value of Invesco Asia Opportunities Equity Fund (including exposure through Invesco's Qualified Foreign Institutional Investor quota or Stock Connect, participation notes, equity linked notes or similar China A Shares access products).

Invesco Asia Opportunities Equity Fund will have a flexible approach to country allocation covering investments in Asia including the Indian subcontinent but excluding Japan and Australasia.

There is no requirement as to the geographical spread of the investments of Invesco Asia Opportunities Equity Fund. Investors should not assume that the assets of Invesco Asia Opportunities Equity Fund will at all times include investments from each country in the Asia region.

Invesco Asia Opportunities Equity Fund may use derivatives (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such derivatives may also incorporate derivatives on derivatives (i.e. forward dated swaps, swap options). However, financial derivative instruments will not be extensively used for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).

(c) Base Currency

The base currency of the Invesco Asia Opportunities Equity Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of the Invesco Asia Opportunities Equity Fund for details."

The first row of the Cost Summary Table regarding Administration Charge shall be deleted and replaced with the following:

Administration Charge	HK\$750 p.a. plus HK\$30 per member p.a.	Subject to an overall minimum of HK\$1,000 Based on number of Members at the beginning of the Scheme Year Indexation* status applies
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The fourth row of the Cost Summary Table regarding ORSO Registration Charge shall be deleted and replaced with the following:

ORSO Registration Charge	HK\$1,800 Annual charge	For scheme registered under ORSO, also other charges may be imposed
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FWD Life Insurance Company (Bermuda) Limited
10 August 2018

FWD Multi-Funding Provident Plan

Third Addendum to the Explanatory Memorandum dated July 2015

This Third Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (“Plan”) dated July 2015, as amended by the First Addendum dated 28 December 2016 and the Second Addendum dated 10 August 2018 (the “Explanatory Memorandum”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this Third Addendum as at the date of publication. All capitalised terms used in this Third Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 26 November 2018.

Page 32 APPENDIX 1 2. GLOBAL – ASIA PACIFIC FUND

The paragraph under the sub-section headed “(a) Investment Manager of Asia Pacific Equity Fund” in respect of the sub-section “2. GLOBAL – ASIA PACIFIC FUND” in Appendix 1 shall be deleted and replaced with the following:

“(a) Investment Manager of Asia Pacific Equity Fund

Aberdeen Asset Managers Limited (sub-managed by Aberdeen Standard Investments (Asia) Limited)”

The following paragraphs shall be inserted immediately after the first paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “2. GLOBAL – ASIA PACIFIC FUND” in Appendix 1:

“Asia Pacific Equity Fund may invest up to 30% of its net assets in Mainland China equity and equity-related securities, although only up to 10% of its net assets may be invested directly through available QFII and RQFII quotas, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme or by any other available means.

Asia Pacific Equity Fund may use derivatives for the purpose of hedging but will not use financial derivative instruments extensively for investment purposes.”

FWD Life Insurance Company (Bermuda) Limited
26 November 2018

FWD Multi-Funding Provident Plan
Fourth Addendum to the Explanatory Memorandum dated July 2015

This Fourth Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (“Plan”) dated July 2015, as amended by the First Addendum dated 28 December 2016, the Second Addendum dated 10 August 2018 and the Third Addendum dated 26 November 2018 (the “Explanatory Memorandum”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this Fourth Addendum as at the date of publication. All capitalised terms used in this Fourth Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 11 March 2019.

Page 32 APPENDIX 1 2. GLOBAL – ASIA PACIFIC FUND

The following paragraph shall be inserted immediately after the first paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “2. GLOBAL – ASIA PACIFIC FUND” in Appendix 1:

“Asia Pacific Equity Fund may use derivatives for the purpose of hedging but will not use financial derivative instruments extensively for investment purposes.”

Page 33 APPENDIX 1 3. GLOBAL FUND

The paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “3. GLOBAL FUND” in Appendix 1 shall be deleted and replaced with the following:

“(b) Investment Objective

Templeton Global Fund aims to increase the value of its investments over the medium to long term. Templeton Global Fund invests principally (that is, at least two-thirds of its net assets) in equity securities issued by companies of any size located in any country, including emerging markets. In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of Templeton Global Fund’s net assets may be invested in liquid assets, with due regard to the principle of risk spreading.

Templeton Global Fund can invest on an ancillary basis in preferred stock, securities convertible into common stock and fixed income securities.

The investment team uses in-depth analysis to select individual equity securities that it believes are undervalued and will provide the best opportunities for increased value over the long term.

Templeton Global Fund does not intend to invest extensively or primarily in financial derivative instruments for investment purposes.

For the purpose of generating additional capital or income or for reducing costs or risks, Templeton Global Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the Templeton Global Fund only."

Page 34 APPENDIX 1 4. GLOBAL BALANCED FUND

The paragraphs under the sub-sections headed "(a) Investment Managers of Templeton Global Balanced Fund" and "(b) Investment Objective" in respect of the sub-section "4. GLOBAL BALANCED FUND" in Appendix 1 shall be deleted and replaced with the following:

"(a) Investment Managers of Templeton Global Balanced Fund

Franklin Templeton Investments Australia Limited and Franklin Advisors, Inc. as co-investment managers

(b) Investment Objective

Templeton Global Balanced Fund aims to increase the value of its investments and to earn income over the medium to long term. Templeton Global Balanced Fund invests principally (that is, at least two-thirds of its net assets) in (i) equity and equity-related securities (including convertible securities) issued by companies of any size located in any country, including emerging markets; and (ii) debt securities issued by government and government-related issuers or corporate issuers located in any country, including emerging markets.

In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of Templeton Global Balanced Fund's net assets may be invested in liquid assets, with due regard to the principle of risk spreading.

Templeton Global Balanced Fund may also invest on an ancillary basis in (i) debt securities of supranational entities organized or supported by several national governments, such as the European

Investment Bank; (ii) derivatives for hedging and/or efficient portfolio management purposes. These financial derivative instruments may be dealt on either (a) regulated markets, such as futures contracts (including those on government securities), as well as

options or (b) over-the-counter such as currency, exchange rate, and interest rate related swaps and forwards; and (iii) non-investment grade securities (limited to 5% of its net assets).

At no time will the investment manager of Templeton Global Balanced Fund invest more than 40% of Templeton Global Balanced Fund's total net assets into fixed income securities. Two separate teams using different strategies manage Templeton Global Balanced Fund's equity and debt portfolios. The equity team uses in-depth analysis to select individual securities that it believes are significantly undervalued and will provide the best opportunities, over the long term, for increased value. The debt securities team evaluates each issuer individually while also looking at broad-based trends.

Templeton Global Balanced Fund does not intend to invest extensively or primarily in financial derivative instruments for investment purposes.

If and for so long as Templeton Global Balanced Fund accepts investment by Malaysian investment funds authorized by the Malaysian Securities Commission as feeders, Templeton Global Balanced Fund will typically invest 65% of its net assets in equity and equity-linked securities and 35% of its net assets in fixed income securities and liquid assets, with a permitted deviation of up to 5% of its net assets from this allocation.

For the purpose of generating additional capital or income or for reducing costs or risks, Templeton Global Balanced Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of Templeton Global Balanced Fund only."

Page 35 APPENDIX 1 5. GLOBAL BOND FUND

The paragraph under the sub-section headed "(b) Investment Objective" in respect of the sub-section "5. GLOBAL BOND FUND" in Appendix 1 shall be deleted and replaced with the following:

"(b) Investment Objective

Templeton Global Bond Fund aims to maximise total investment return by achieving an increase in the value of its investments, earning income and profiting from currency movement over the medium to long term. Templeton Global Bond Fund invests principally (that is, at least two-thirds of its net assets) in debt securities of any quality (including non-investment grade securities) issued by governments and government-related entities worldwide.

In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of Templeton Global Bond Fund's net assets may be invested in liquid assets, with due regard to the principle of risk spreading.

The Fund may also invest on an ancillary basis in (i) debt securities of any quality issued by corporations located in any country; (ii) debt securities of supranational entities, organized or supported by several national governments, such as the European Investment Bank; (iii) structured products (such as credit-linked securities); (iv) securities in default (limited to 10% of net assets); (v) equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

Templeton Global Bond Fund may invest extensively in financial derivative instruments for hedging, efficient portfolio management and/or investment purposes to manage the risks of the portfolio and gain exposure to certain asset classes, currencies, or position on the yield curve (long maturities vs. short maturities), or to exchange fixed rate obligations with floating rate obligations. The financial derivative instruments in which Templeton Global Bond Fund may invest include swaps (such as credit default swaps or fixed income related total return swaps), futures contracts, and foreign currency forward contracts, including cross currency forwards where one currency is hedged into another through an intermediate third currency or where one currency is used as a proxy for hedging another currency (e.g. using the Canadian dollar as a proxy for the U.S. dollar).

Templeton Global Bond Fund may invest up to 25% of its net assets in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase (such as Brazil, Colombia, Egypt, Hungary, Indonesia, Italy, Mainland China, Malaysia, Mexico, Portugal, Russia, Spain and Ukraine). Such investments (if any) are made based on the professional judgment of the investment manager of Templeton Global Bond Fund whose reasons for investment may include a favourable/positive outlook on the sovereign issuer, potential for rating upgrades and the expected changes in the value of such investments due to rating changes. Please note that the abovementioned sovereigns are named for reference only and are subject to change as their credit ratings may change from time to time.

The expected level of leverage for Templeton Global Bond Fund (based on the “sum of notionals” approach) is 200%. The expected level of leverage based on the “sum of notionals” approach is measured as the sum of notionals of all financial derivative contracts entered into by Templeton Global Bond Fund expressed as a percentage of its net asset value.

The expected maximum level of leverage for Templeton Global Bond Fund (based on the “commitment” approach) is 225%. Commitment approach is an approach for measuring risk or global exposure that factors in the market value of the equivalent positions in the underlying assets of the financial derivative instruments held by Templeton Global Bond Fund (sometimes referred to as “notional exposure”), after taking into account netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions.

The level of leverage in Templeton Global Bond Fund may be higher or lower than the expected level shown above. The level of leverage in Templeton Global Bond Fund is not expected to exceed the maximum level indicated above but investors should note that there is possibility of higher leverage levels in certain circumstances, such as high market volatility. Under Luxembourg Law, the absolute Value-at Risk (VaR) limit is currently 20% of Templeton Global Bond Fund's total net assets and the relative VaR limit is currently twice or 200% of Templeton Global Bond Fund's benchmark VaR."

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APPENDIX 1

6. HONG KONG CHINA FUND

The paragraphs under the sub-section "6. HONG KONG CHINA FUND" in Appendix 1 shall be deleted and replaced with the following:

"Monies of this Managed Fund will be solely invested in the Class "A/C" units of the Barings Hong Kong China Fund, a sub-fund of the Barings International Umbrella Funds.

Details of the Barings Hong Kong China Fund are summarized as below:

(a) Investment Manager of Barings Hong Kong China Fund

Baring International Fund Managers (Ireland) Limited (sub-advised by Baring Asset Management Limited and Baring Asset Management (Asia) Limited)

(b) Investment Objective

Barings Hong Kong China Fund seeks to achieve long-term capital growth in the value of assets by investing in Hong Kong, China and Taiwan. Barings Hong Kong China Fund will invest at least 70% of its total assets at any one time, either directly in equities or through equity-related securities (such as structured notes, participation notes, equity-linked notes or depositary receipts) of companies (i) incorporated, or (ii) exercising the predominant part of their economic activity, or (iii) quoted or traded on the stock exchanges in markets in Hong Kong or China. For this purpose, total assets exclude cash and ancillary liquidities. The investment manager of Barings Hong Kong China Fund may also invest up to 30% of the total assets of Barings Hong Kong China Fund outside its principal geographies (including but not limited to Taiwan), market sectors, currency or asset classes. With regard to investment in debt securities, Barings Hong Kong China Fund does not have any specific restrictions or limits on the credit rating of the underlying debt securities.

The portfolio will be balanced according to the managers' assessment of investment prospects but may, depending upon underlying investment conditions, emphasise investment in companies operating in those sectors of the Hong Kong or China economies that, in the managers' opinion, provide the determinants for Hong Kong's or China's economic growth such as those involved in international trade, property and construction activity, engineering, electronics or the service sectors.

Barings Hong Kong China Fund may also invest in collective investment schemes in accordance with the requirements of the Central Bank of Ireland up to a maximum of 10% of the net asset value of Barings Hong Kong China Fund.

With regard to investment in China, no more than 10% of the net asset value of the Barings Hong Kong China Fund may at any one time be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Shanghai-Hong Kong Stock Connect Scheme and Shenzhen-Hong Kong Stock Connect Scheme or indirectly through investment in other eligible collective investment schemes or participation notes. Under exceptional circumstances (e.g. economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions), Barings Hong Kong China Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.

Barings Hong Kong China Fund may use derivatives (including warrants, futures, options, currency forward contracts (including non-deliverable forwards), swap agreements and contracts for difference) for efficient portfolio management (including hedging) or investment purposes. Although derivatives may be used, they will not be used extensively for investment purposes.

The derivative techniques may include, but are not limited to: (i) hedging a currency exposure; (ii) using derivatives as a substitute for taking a position in the underlying asset where the investment manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure; (iii) tailoring Barings Hong Kong China Fund's interest rate exposure to the investment manager's outlook for interest rates; and/or (iv) gaining an exposure to the composition and performance of a particular index which are consistent with the investment objective and policies of Barings Hong Kong China Fund

(c) Base Currency

The base currency of the Barings Hong Kong China Fund is U.S. Dollars.

(d) Investment Performance and Fund Charge

Please refer to the latest fund fact sheet and offering document of Barings Hong Kong China Fund for further detail."

The paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “7. AMERICAN GROWTH FUND” in Appendix 1 shall be deleted and replaced with the following:

“(b) Investment Objective

Fidelity Funds – American Growth Fund is an equity fund and aims to provide long-term capital growth with the level of income expected to be low.

At least 70% of Fidelity Funds – American Growth Fund’s net asset value (and normally 75%) will be invested in a focused portfolio of the shares of companies having their head office or main activities in the US. For the remaining assets, the investment manager has the freedom to invest outside Fidelity Funds – American Growth Fund’s principal geographies, market sectors, currency or asset classes. In selecting securities for Fidelity Funds – American Growth Fund, several factors are considered in the investment process; for example, consideration may include, but is not limited to, a company’s financials, including revenue and profit growth, return on capital, cash flows and other financial measures. In addition, company management, industry and economic environment, and other factors may be considered in the investment process.

Fidelity Funds – American Growth Fund may invest in assets directly or achieve exposure indirectly through other eligible means including financial derivative instruments. Such derivatives may include over-the-counter and/or exchange traded instruments such as futures, contracts for difference, equity swaps, options such as puts, calls and warrants, forwards, non-deliverable forwards and currency swaps. Fidelity Funds – American Growth Fund may use derivatives with the aim of risk or cost reduction or to generate additional capital or income (including for investment purposes), in line with the risk profile of Fidelity Funds – American Growth Fund. However, Fidelity Funds – American Growth Fund will not make extensive use of derivatives for investment purposes or use complex derivatives or strategies to meet its investment objectives.

Fidelity Funds – American Growth Fund will not invest more than 10% of their net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade. Fidelity Funds – American Growth Fund will not engage extensively in securities lending, repurchase and reverse repurchase transactions.”

The paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “8. EUROPEAN GROWTH FUND” in Appendix 1 shall be deleted and replaced with the following:

“(b) Investment Objective

Fidelity Funds – European Growth Fund is an equity fund and aims to provide long-term capital growth with the level of income expected to be low. At least 70% of Fidelity Funds – European Growth Fund’s net asset value (and normally 75%) will be invested in equity securities quoted on European stock exchanges. For the remaining assets, the investment manager has the freedom to invest outside Fidelity Funds – European Growth Fund’s principal geographies, market sectors, currency or asset classes. In selecting securities for Fidelity Funds – European Growth Fund, several factors are considered in the investment process; for example, consideration may include, but is not limited to, a company’s financials, including revenue and profit growth, return on capital, cash flows and other financial measures. In addition, company management, industry and economic environment, and other factors may be considered in the investment process.

Fidelity Funds – European Growth Fund may invest in assets directly or achieve exposure indirectly through other eligible means including financial derivative instruments. Such derivatives may include over-the-counter and/or exchange traded instruments such as futures, contracts for difference, equity swaps, options such as puts, calls and warrants, forwards, non-deliverable forwards and currency swaps. Fidelity Funds – European Growth Fund may use derivatives with the aim of risk or cost reduction or to generate additional capital or income (including for investment purposes), in line with the risk profile of Fidelity Funds – European Growth Fund. However, Fidelity Funds – European Growth Fund will not make extensive use of derivatives for investment purposes or use complex derivatives or strategies to meet its investment objectives.

Fidelity Funds – European Growth Fund will not invest more than 10% of their net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade. Fidelity Funds – European Growth Fund will not engage extensively in securities lending, repurchase and reverse repurchase transactions.”

FWD Life Insurance Company (Bermuda) Limited
11 March 2019

**FWD Multi-Funding Provident Plan
Fifth Addendum to the Explanatory Memorandum dated July 2015**

This Fifth Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (“Plan”) dated July 2015, as amended by the First Addendum dated 28 December 2016, the Second Addendum dated 10 August 2018, the Third Addendum dated 26 November 2018 and the Fourth Addendum dated 11 March 2019 (the “Explanatory Memorandum”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this Fifth Addendum as at the date of publication. All capitalised terms used in this Fifth Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 11 February 2019.

Page 32 APPENDIX 1 2. GLOBAL – ASIA PACIFIC FUND

The first paragraph under the sub-section “2. GLOBAL – ASIA PACIFIC FUND” in Appendix 1 shall be deleted and replaced with the following:

“Monies of this Managed Fund will be solely invested in the Class “A Acc” Shares of the Aberdeen Standard SICAV I - Asia Pacific Equity Fund (“**Asia Pacific Equity Fund**”).”

FWD Life Insurance Company (Bermuda) Limited
18 April 2019

**FWD Multi-Funding Provident Plan
Sixth Addendum to the Explanatory Memorandum dated July 2015**

This Sixth Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (“Plan”) dated July 2015, as amended by the First Addendum dated 28 December 2016, the Second Addendum dated 10 August 2018, the Third Addendum dated 26 November 2018, the Fourth Addendum dated 11 March 2019 and the Fifth Addendum dated 18 April 2019 (the “Explanatory Memorandum”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this Sixth Addendum as at the date of publication. All capitalised terms used in this Sixth Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 16 August 2019.

Page 4 DEFINITIONS

The definition of “**FWD Life**” or the “**Company**” shall be deleted and replaced with the following:

““FWD Life” or the “Company”	FWD Life Insurance Company (Bermuda) Limited, incorporated in Bermuda with limited liability, with its registered office in Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda”
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Page 36 APPENDIX 1 6. HONG KONG CHINA FUND

The fourth paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “6. HONG KONG CHINA FUND” in Appendix 1 shall be deleted and replaced with the following:

“With regard to investment in China, no more than 20% of the net asset value of the Barings Hong Kong China Fund may at any one time be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Shanghai Hong Kong Stock Connect Scheme and Shenzhen Hong Kong Stock Connect Scheme and/or through quotas approved under the QFII Regulations and/or RQFII Regulations or indirectly through investment in other eligible collective investment schemes or participation notes.”

The following paragraphs shall be added to the last paragraph under the sub-section headed “(b) Investment Objective” in respect of the sub-section “6. HONG KONG CHINA FUND” in Appendix 1:

“Pursuant to the Investmentsteuergesetz (2018), Barings Hong Kong China Fund intends to meet the requirements to be classified as being an “equity fund” and will invest at least 50% of its assets in direct equities.

Barings Hong Kong China Fund’s net derivative exposure may be up to 50% of its net asset value.”

FWD Life Insurance Company (Bermuda) Limited
16 August 2019

**FWD Multi-Funding Provident Plan
Seventh Addendum to the Explanatory Memorandum dated July 2015**

This Seventh Addendum forms part of, and should be read together with, the explanatory memorandum of FWD Multi-Funding Provident Plan (the “Plan”) dated July 2015, as amended by the First Addendum dated 28 December 2016, the Second Addendum dated 10 August 2018, the Third Addendum dated 26 November 2018, the Fourth Addendum dated 11 March 2019, the Fifth Addendum dated 18 April 2019 and the Sixth Addendum dated 16 August 2019 (the “Explanatory Memorandum”).

FWD Life Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained in this Seventh Addendum as at the date of publication. All capitalised terms used in this Seventh Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

Except otherwise specified below, the following amendments are made to the Explanatory Memorandum with effect from 1 January 2020.

Page 2

The second paragraph on page 2 shall be deleted and replaced with the following:

“The Plan has been authorized by the SFC. SFC authorization is not a recommendation or endorsement of the Plan nor does it guarantee the commercial merits of the 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.”

Page 12 2. INVESTMENT OPTIONS

The last sentence of the third paragraph under the section headed “2. Investment Options” shall be deleted and replaced with the following:

“Please note that SFC authorization is not a recommendation or endorsement of the Underlying Funds nor does it guarantee the commercial merits of the Underlying Funds or their performance. It does not mean the Underlying Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.”

FWD Life Insurance Company (Bermuda) Limited
31 December 2019