



Vision

February 2020

Sun Life Hong Kong Limited
(Incorporated in Bermuda with limited liability)



Wouldn't it be great if

you could break the spell of “wealth cannot last longer than 3 generations”

One of the most common legacy planning myths in Chinese culture is that wealth, for some reason, can only be passed down 3 generations. With the right tools, passing wealth to future generations can be a simple and efficient process. You can ensure that the hard-earned fruits of your success will nurture your loved ones for generations to come. What you need is a reliable legacy planning solution that will protect your wealth and nurture its growth.

This is where Sun Life steps in - your trusted partner for life's journey and achieving life's dreams. **Vision** offers you up to 120 years of coverage with a variety of premium payment terms, providing enough time for your wealth to grow with increasing momentum. That way, your great-grandchildren and even the future generations can continue enjoying your bountiful legacy.



How can Vision help you?

Vision is a participating insurance plan that provides stable monthly income and allows you to plan for a simple and effective legacy succession. Whether you are saving for your future expenses, a contribution towards your children's family home, or a financially carefree retirement, you can select the premium payment term that suits you best to enjoy rapid rewards from the beginning of the 2nd policy year.

Key Features

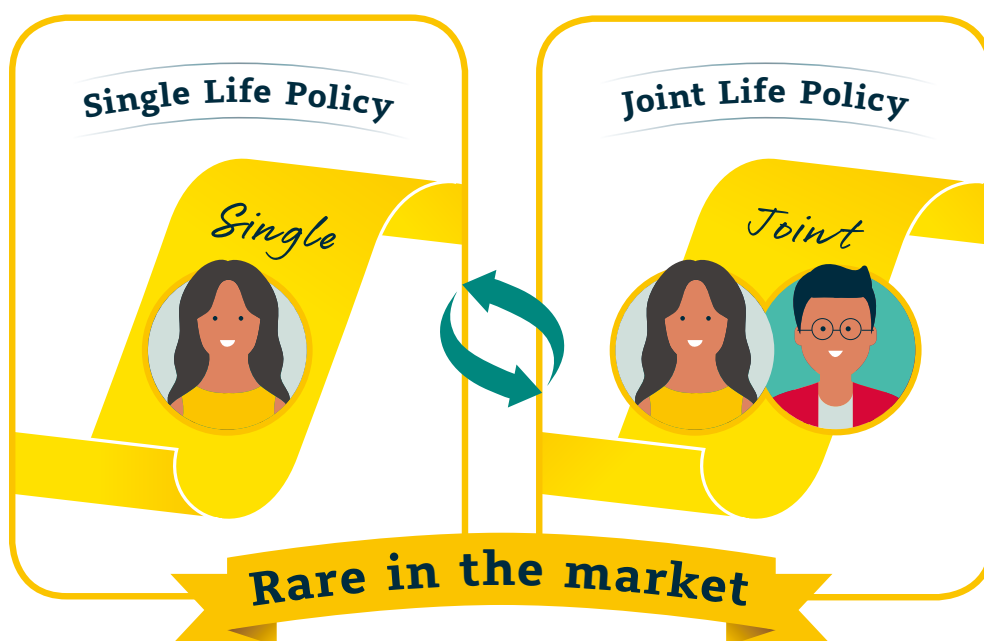
-  1. Pass your wealth to future generations
-  2. Your choice of premium payment terms to suit your goals
-  3. Protect your wealth and enjoy extra long-term savings with potential bonus
-  4. Quick and easy application

1. Pass your wealth to future generations

Vision offers you flexibility and security for your legacy planning. You can choose to cover one insured (Single Life) or two insureds (Joint Life) from age 0 up to 80¹ under the policy at the time of application. You can change from Joint Life to Single Life and from Single Life to Joint Life by exercising the Change of Coverage Option² under the policy according to your needs. You can also opt for the Change of Insured Option² to change your desired insured when necessary. Whether you decide to pass your legacy to the next generation or let your grandchildren enjoy the fruits of your success, the choice is always yours.

With two insureds under Joint Life coverage, your policy will endure even if one insured passes away unexpectedly. You can transfer your wealth according to your changing needs in a hassle-free process. Unlike other estate planning tools with high transaction costs, we charge no extra fee for the request of relevant changes.

Change of Coverage Option:



Remarks:

- 1 All new insured(s) must have insurable interest with the existing policy owner at the time of change of insured which is subject to the then current administrative rules, underwriting rules, any other requirements, and the approval of Sun Life Hong Kong Limited ("Sun Life").
- 2 The Change of Coverage Option and Change of Insured Option are subject to the prescribed conditions set out in the policy provisions are fulfilled. Please refer to sample policy provisions for details.



2. Your choice of premium payment terms to suit your goals

We understand that everyone's financial situation is different, which is why **Vision** offers a flexible suite of premium payment schedule. You can choose different payment periods - 2 years, 5 years or 10 years, at the time of application - whichever fits your financial plans best.

3. Protect your wealth and enjoy extra long-term savings with potential bonus

Until the insured (if your chosen Coverage is Single Life) or the younger insured (if your chosen Coverage is Joint Life) reaches age 120 or 120 years after the policy issue date, whichever is earlier, **Vision** provides a steady stream of Monthly Coupons in the form of 2 components - Guaranteed Monthly Coupon and Non-guaranteed Monthly Coupon³ (if any). These coupons will be distributed starting from the beginning of the 2nd policy year, providing you with rapid income that keep on coming.

Guaranteed Monthly Coupon

A year's pay-out through the Guaranteed Monthly Coupon will be equivalent to 2.3% of the Guaranteed Saving Amount⁴. This will remain unchanged throughout your benefit term, even with market fluctuations.

Non-guaranteed Monthly Coupon

The amount of the Non-guaranteed Monthly Coupon is determined by the amount of the accumulated Reversionary Bonus. Beginning from the 1st policy anniversary, we will declare a Reversionary Bonus (if any) at least once a year. Once it is declared, it becomes guaranteed and accumulates in your policy. In other words, the more Reversionary Bonus you have accumulated, the larger your Non-guaranteed Monthly Coupon will be.

One-time Terminal Bonus³

The one-time Terminal Bonus only comes into effect when your policy comes to an end (via policy maturity, surrender or death of the Designated Insured⁵). It will be declared at least once a year starting from the 10th policy anniversary. It will be adjusted at each subsequent declaration and may be increased or decreased according to the rules set by Sun Life from time to time.

Remarks:

- 3 The Non-guaranteed Monthly Coupon, Reversionary Bonus and Terminal Bonus are non-guaranteed and are subject to change from time to time at Sun Life's sole discretion. They may vary based on the performance of a number of experience factors, with the investment return normally being the main determinant. Other factors include, but not limited to, claim experience, policy expenses, taxes, and policy owner termination experience.
- 4 The Guaranteed Saving Amount is used to calculate premium, Guaranteed Monthly Coupon and other relevant policy values. It is not equivalent to the Death Benefit payable upon the death of the Designated Insured. For definition of Designated Insured, please refers to remark 5.
- 5 Designated Insured refers to the insured whose death the Death Benefit is payable. If your chosen Coverage is Single Life, the Designated Insured is the Insured. If your chosen Coverage is Joint Life, the Designated Insured is the Last Surviving Insured.



4. Quick and easy application

Vision takes the hassle out of the application process so you can start your wealth accumulation journey earlier than expected, according to the underwriting procedure shown below. That way, your wealth will have time to grow and become a bountiful yield for later generations to harvest.

Premium payment term	Underwriting procedure
2 years	<u>No medical underwriting</u> No health questions if the Guaranteed Saving Amount is less than USD2,000,000 per life ⁶
5 years	<u>Simplified underwriting</u> Just 2 health questions for any Guaranteed Saving Amount ⁷
10 years	

Remarks:

6 Simplified underwriting will be required if the total Guaranteed Saving Amount per insured's life is more than USD2,000,000. The application is subject to the then administrative rules.

7 The application is subject to the then administrative rules.

Case Studies

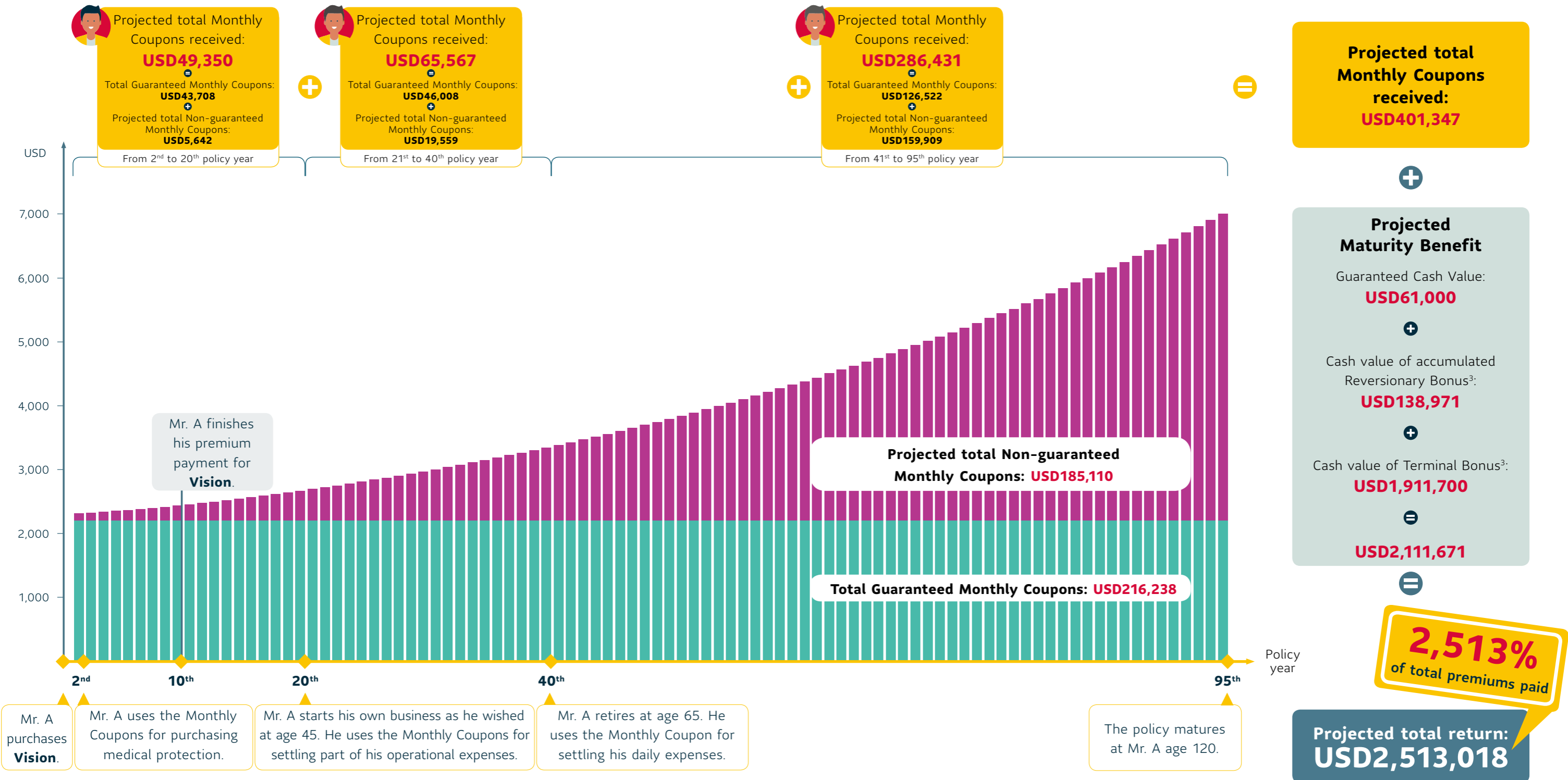
Case 1: Achieving career ambition with peace of mind

Mr. A is a young and energetic individual who is working hard and wish to start his own business by age 45 and retire by age 65. As **Vision** guarantees a stable monthly income starting from the 2nd policy year, Mr. A wants to leverage the plan to save part of his savings from work while growing the capitals for his future business and retirement purpose.



Mr. A
Age: 25

Guaranteed Saving Amount⁴: USD100,000
Annual premium: USD10,000
Premium payment term: 10 years
Premium payment mode: Annually



The above diagram is for illustrative purpose only. All figures shown in the case are rounded to the nearest whole number. The application process is subject to the then current administrative rules. The example assumes all Monthly Coupons are paid by Sun Life. The projected returns stated in the example are based on Sun Life's bonus scales determined under current assumed investment return and are not guaranteed. The actual amount of total Non-guaranteed Monthly Coupons, Reversionary Bonus and Terminal Bonus payable may be higher or lower than the above illustrated figures. Under some circumstances, the actual total Reversionary Bonus and Terminal Bonus may be zero. The Monthly Coupons, Reversionary Bonus and Terminal Bonus may vary based on the performance of a number of experience factors, with the investment return normally being the main determinant. Other factors include, but not limited to, claim experience, policy expenses, taxes, and policy owner termination experience. For details, please refer to Bonus Philosophy under Important Information section.

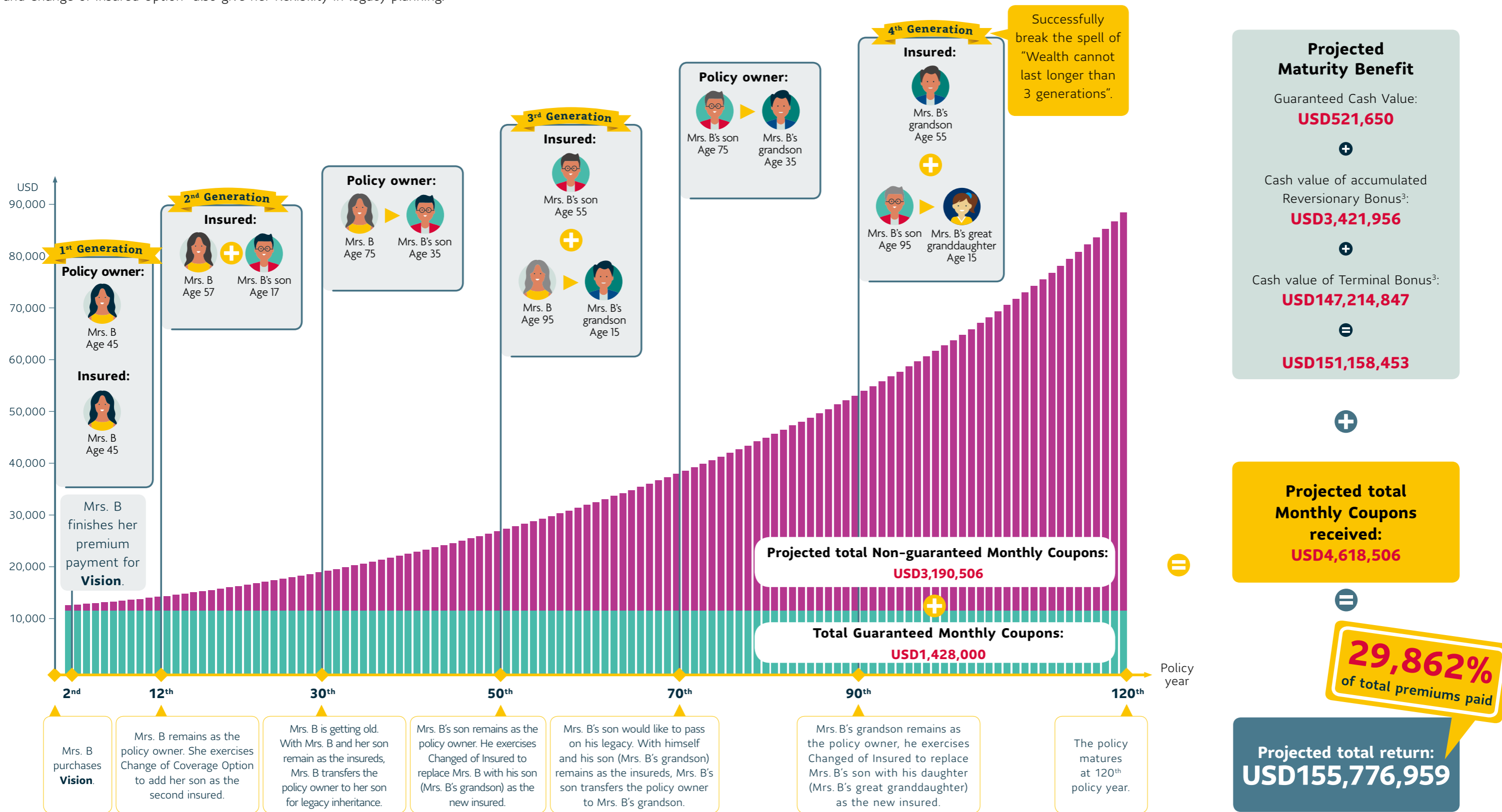
Case 2: Safeguarding your future generations

Mrs. B plans to leave her legacy to future generations. **Vision**, which offers up to 120 years of coverage, not only serves her purpose of wealth accumulation for her future generations to come, its Change of Coverage Option² and Change of Insured Option² also give her flexibility in legacy planning.



Mrs. B
Age: 45

Guaranteed Saving Amount⁴: USD521,650
Annual premium: USD260,825
Premium payment term: 2 years
Premium payment mode: Annually



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Key Product Information

Plan	Vision		
Minimum Guaranteed Saving Amount	USD20,000		
Premium Payment Term	2 years	5 years	10 years
Issue Age	Age 0-80	Age 0-70	Age 0-65
Benefit Term	<p>The earlier of:</p> <ul style="list-style-type: none"> To age 120 of the current insured (for Single Life) or the current younger insured (for Joint Life); or To 120 years since the issue date of the policy 		
Premium Payment Mode	Annually/Semi-annually/Monthly		
Currency	USD		
Premium Structure	Premium is level and guaranteed, calculated based on the Guaranteed Saving Amount		
Maturity Benefit/ Surrender Value	<p>Guaranteed Cash Value</p> <p>+</p> <p>any accumulated Monthly Coupon with interest</p> <p>+</p> <p>any cash value of accumulated Reversionary Bonus</p> <p>+</p> <p>any cash value of Terminal Bonus</p> <p>+</p> <p>any other amounts left with Sun Life</p> <p>-</p> <p>the amount of any loans with interest</p>		
Death Benefit	<p>The higher of</p> <p>Total premiums due and paid</p> <p>-</p> <p>any Guaranteed Monthly Coupon distributed</p> <p>or</p> <p>Guaranteed Cash Value on the date of death of the Designated Insured</p> <p>+</p> <p>any accumulated Monthly Coupon and interest</p> <p>+</p> <p>any face value of accumulated Reversionary Bonus</p> <p>+</p> <p>any face value of Terminal Bonus</p> <p>+</p> <p>any other amounts left with Sun Life</p> <p>-</p> <p>the amount of any loans with interest</p>		

Important Information:**Bonus Philosophy**

Life insurance involves the transfer of risk from an individual to a life insurer, and the pooling of risks across large groups of policies. With participating insurance, a portion of these risks is borne by the policyholders or shared between the policyholders and the insurer. In return, policyholders may receive policyholder bonuses in the form of reversionary/terminal/special bonuses. These bonuses are not guaranteed and can vary from year to year.

In general, bonuses on these policies reflect the experience, over time, of the group to which they belong. Bonuses will typically vary based on the performance of a number of factors, with the investment return*, including the impact of asset defaults and investment expenses, normally being the main determinant of bonus performance. Other factors[^] include, but are not limited to, claims experience, taxes, expenses and policyholder persistency experience.

Favourable and unfavourable experiences may be smoothed out over time to provide more stable bonuses to policyholders. For products with a terminal/special bonus feature, adjustments to terminal/special bonus scales pass through experience normally with less smoothing applied.

The bonus allocation process seeks to achieve reasonable equity among groups of policies and among policies issued at different times, to the extent practicable. Upon declaration of reversionary bonus or pay-out of terminal/special bonus to policyholders, shareholders will also be entitled to a share of the distribution.

At least annually, the Board of Directors of Sun Life Hong Kong Limited determines the amount of bonus to be declared or paid to participating policyholders. This determination is based on the advice of Sun Life Hong Kong Limited's appointed actuary, who applies accepted actuarial principles and practices. Management of participating business is also governed by Sun Life Hong Kong Limited's internal policies, as well as advice by the internal Par Governance Committee.

* *Investment return includes investment income and changes in asset value of the backing portfolio. Performance of the investment return is affected by interest earnings and other market risk factors including interest rate or credit spread movements, credit events, and price fluctuations in non-fixed income assets. Please see the Investment Philosophy for more details on the investment policies, objectives and strategy in relation to the investments of the backing portfolio.*

[^] *Claims experience represents the experience of mortality and morbidity. Persistency experience includes policy lapse/maturity and partial surrender experience; and the corresponding impact on investments. The expense factor includes maintenance expenses only, where it is charged to the participating fund at the level Sun Life Hong Kong Limited expects to be required over the foreseeable future. Policyholders will share the impact of any changes, over time, to the expected level of expenses required for the then foreseeable future. Any deviations on a year to year basis of the expenses actually incurred from the then expected level required, will be absorbed by the shareholders.*

Please refer to Sun Life Hong Kong Limited's website (www.sunlife.com.hk/dividendhistory_eng) for bonuses fulfillment ratios details.

Investment Philosophy (Policies, Objectives, and Strategy)

The investment strategy supporting this product is intended to optimize long-term value to the policyholders with a suitable level of risk; and to achieve the main objective of delivering a fair chance of meeting the illustrated non-guaranteed benefits in addition to the guaranteed benefits.

The assets supporting the investment strategy span a diversified range of fixed income assets such as sovereign bonds, corporate bonds and corporate loans; as well as non-fixed income assets which are equity-like investments. The credit portfolio largely invests in investment grade fixed income instruments. A small quantity of below investment grade assets may be present in the portfolio due to unexpected credit rating downgrades. However, exposure to below investment grade assets is controlled by the credit risk limits and investment policies.

The current long-term target mix for the assets supporting this product is shown below:

Asset Class	Target Asset Mix
Fixed Income Assets	50%-70%
Non-Fixed Income Assets	30%-50%

We invest globally to achieve geographical diversification benefits and intend to have a higher relative allocation in the US and Asia-Pacific. Diversifying between asset classes results in a more stable investment return over the long term. The actual asset mix percentages and geographical allocation may fluctuate depending on market conditions, diversification needs and economic outlook.

We may pool the investment returns with other long term insurance products with similar plan features (excluding investment linked assurance schemes and pension schemes) to optimize the investment performance and the return will subsequently be allocated with reference to the target asset mix of each products.

Investments are in the same currency (or hedges are put in place to match) as the underlying policies where appropriate, with considerations on availability of assets and the trade-offs between the risk and return. Unmatched currency exposures are managed with the use of appropriate hedging instruments. Derivatives may be used to hedge against market risks but are not intended to bring the risk profile beyond established risk tolerances.

The investment strategy noted above may be subject to change, subject to a rigorous internal review and approval process. We will notify the policyholders upon any material changes.

Key Product Risks:

1. You need to pay the premium for this basic plan according to the selected premium payment term. If you do not pay a premium on or before the premium due date, a grace period of 31 days from its due date will be allowed for the payment, during which time this policy will continue in effect. Any unpaid premium by the date on which the grace period expires will be paid automatically by a loan from us. If the amount available for a loan under this policy is less than the unpaid premium, the policy will lapse automatically on the due date.
2. Please note that if you terminate this policy early or cease paying premiums early, you may receive an amount significantly less than the total premiums paid towards your policy.
3. Any transaction involving conversion between policy currency and other currencies would be exposed to foreign exchange risks such as the fluctuation in exchange rate against policy currency.
4. The cost of living in the future is likely to be higher than it is today due to inflation, so the benefit may be insufficient to meet your needs even if we meet our contractual obligation. You should hence consider the impact of inflation when you plan the benefit.
5. This basic plan is an insurance policy issued by Sun Life Hong Kong Limited and your benefits are subject to the paying ability of Sun Life Hong Kong Limited. In the event that we become insolvent and unable to meet the contractual obligation under the policy, you may lose all or part of your premiums paid and benefits.
6. We have the right to terminate the basic plan upon the earliest of the following:
 - a. accumulated policy loans and interest exceeds the sum of Guaranteed Cash Value, accumulated Monthly Coupon and interest (if any), and cash value of accumulated Reversionary Bonus (if any) and any other amounts left with us;
 - b. neither premium is paid nor loanable by us and the grace period expires;
 - c. the Designated Insured passes away; or
 - d. the basic plan reaches its maturity.

Important Note:

Effective from January 1, 2018, all policy owners are required to pay a levy on their insurance premium for all new and inforce policies collected by the Insurance Authority through insurance companies. The applicable levy rate will be determined by reference to the policy date or policy anniversary date. For levy details, please visit our website at www.sunlife.com.hk/levy_eng or Insurance Authority's website at www.ia.org.hk.

This brochure is for reference only. Please refer to a sample Policy Document for details including definitions of capitalized terms and full terms and conditions of coverage.

Cancellation Right:

By giving us a written request, your policy will then be cancelled and any amounts paid will be refunded, provided that: (1) your written request for cancellation must be signed by you and received directly by our office (G/F, Cheung Kei Center Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon) within 21 days after the delivery of the policy or issue of a notice informing you/ your representative about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier; and (2) no refund can be made if we have paid any proceeds under the policy.

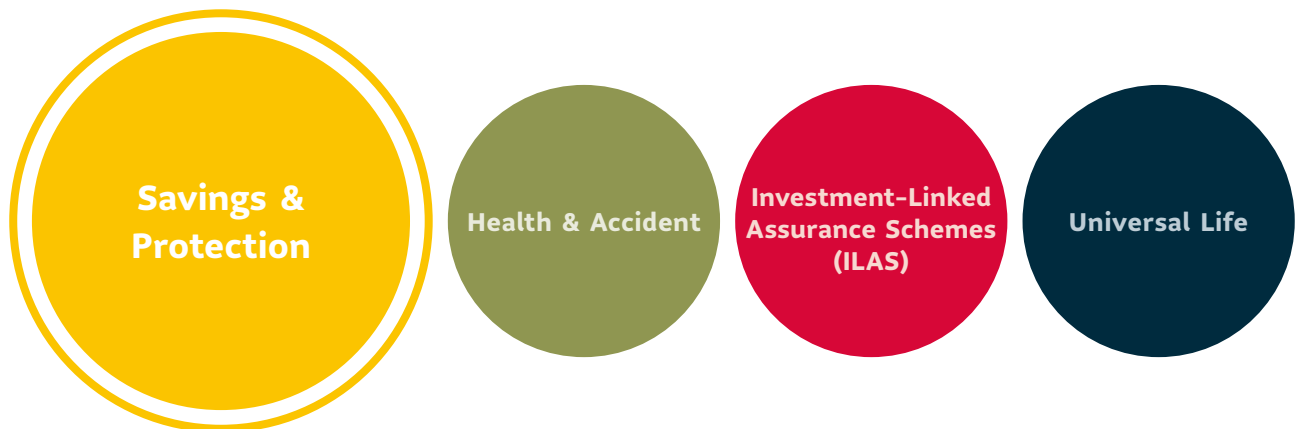
Welcome to the World of Sun Life Hong Kong

Sun Life Hong Kong is a wholly owned subsidiary of Sun Life Assurance Company of Canada. Since February 22, 1892, Sun Life Hong Kong has been here to helping Hong Kong shine brighter over 125 years by providing excellent products and services.

Sun Life Hong Kong is a leading international financial services organization providing a diverse range of products and services to individuals and corporate clients through our professional and experienced distributors. We provide total solutions to address your life and health protection, wealth management, and retirement planning needs. Besides offering a wide range of products, we are also an experienced group benefit and third party administrator in the pension administration business.

We truly understand the needs of your various life stages, and offer a wide range of products including Savings & Protection, Health & Accident, Universal Life, and Investment-Linked Assurance Schemes. **Vision** is part of Sun Life's Savings & Protection series, providing a financial solution for you.

Sun Life Product Portfolio



What's next?
You can find out more:

- ▶ Website: sunlife.com.hk
- ▶ Client Service Hotline: 2103 8928
- ▶ Please contact your Advisor

This brochure is intended to be distributed in Hong Kong only and shall not be construed as an offer to sell or a solicitation to buy or provision of any products of Sun Life Hong Kong Limited outside Hong Kong. Please refer to a sample Policy Document, which will be provided upon request, for details including definitions and full terms and conditions. If there is any conflict between the Policy Document and this brochure, the Policy Document shall prevail.

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