



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

Sharing of some recent topical issues relating to SFC-authorized funds

Investment Products Division
15 December 2014

Illustrative examples of non-compliant
advertisements for the Frequently Asked
Questions on Advertising Materials of Collective
Investment Schemes Authorized under the
Product Codes (Question 6A)

Advertisements of SFC-authorized funds

- **Existing Advertising Guidelines**
 - Effective since 1 August 2008
 - Applicable to collective investment schemes (“schemes”) authorized by the SFC including SFC-authorized funds
- **The Advertising Guidelines set out, among others, the requirements regarding the contents of advertisements of the schemes including the following:**
 - General principles (paragraphs 1 and 2)
 - Language and graphics (paragraphs 3 – 7)
 - Warning statements / notes to prospective investors (paragraphs 23 – 27)
- **Frequently Asked Questions on the Advertising Guidelines published and posted on the SFC’s website (“FAQ on Advertising Guidelines”)**
 - Provide practical applications of the Advertising Guidelines
- **Recent FAQs issued on SFC-authorized funds’ advertisements**
 - Marketing materials that highlight or advertise the regular dividend payment / distribution feature of an SFC-authorized fund (FAQ 39, 39 (A) – (F) and illustrative examples of advertisements under FAQ 39 (F) of the FAQ of Advertising Guidelines published on 14 March 2014)
- **Post-issue monitoring and surveillance**
 - The SFC regards non-compliance of the Advertising Guidelines and/or other regulatory requirements as a serious matter



Advertisements of SFC-authorized funds

- **Recent surveillance conducted by the SFC:**
 - Some advertisements (e.g. print media advertisements and display-only materials) failed to present a fair and balanced picture of the related SFC-authorized fund(s) with prominent risk disclosure in compliance with the Advertising Guidelines
 - Pursuant to the follow-up actions by the SFC:
 - i. remedial measures have been undertaken by the responsible management companies at the request of SFC (including cessation of publication of advertisements that were found to be non-compliant); and
 - ii. in late October 2014, SFC reminded the management companies of their duty to ensure that all advertisements of the SFC-authorized funds under their management duly comply with the Advertising Guidelines and all other applicable regulatory requirements (“SFC Compliance Reminder”)



Advertisements of SFC-authorized funds

■ SFC Compliance Reminder

- Reiteration of the existing requirements under paragraphs 1(b) and 26 of the Advertising Guidelines and the associated practical guidance provided under FAQ 6A of the FAQ on Advertising Guidelines
- “All advertisements must be **clear, fair**, and present a **balanced picture** with **adequate** and **prominent risk disclosure**;
- Presentation of benefits, returns and risks of the fund should be fair, balanced and proportionate. In particular, presenting benefits and returns disproportionately larger than the risks of the fund would not be considered as fair and proportionate; and
- Warning statements and footnotes should be well positioned and, where applicable, properly referenced in the advertisement. They must be legible in the context of:
 - i. font sizes used;
 - ii. format and layout of the advertisement; and
 - iii. where the advertisement is displayed or published.

In this connection, we note that issuers should adopt a holistic approach to ensure compliance and must be able to demonstrate that the risk disclosure, in terms of overall impression, is reader-friendly and “eye-catching”.

In general, it is expected that the font size and spacing of the risk disclosure / warning statements should be comparable to the main text (excluding headings and footnotes) of the relevant advertisement.”



Advertisements of SFC-authorized funds

- **Case sharing – Some non-compliant advertisements**



Advertisements of SFC-authorized funds

- **Example 1**
 - Issuers of the advertisement should ensure the advertisement is properly displayed such that the risk warnings can be clearly seen and of appropriate prominence when investors view the real advertisement



← the font size of the risk disclosure / warning statements should be comparable to the main text (excluding headings and footnotes) of the advertisement

← benefits and returns are presented disproportionately larger than the risks of the fund

Advertisements of SFC-authorized funds

Example 1 (continued)

1. 基金投資於一項多元化亞太區(不包括日本)股票(包括上市房地產信託基金(REITs))及債券證券組合。
2. 投資於此基金涉及投資於亞太區(不包括日本)的風險,投資於亞洲貨幣計價證券的風險、信用風險、利率風險、股票風險、投資於REITs的風險,有關投資於亞太區(不包括日本)股票及債券證券的集中風險及投資風險。
3. 若投資者投資於計價/買賣貨幣並非基本貨幣的股份類別,由於貨幣市場波動不定,投資者所獲回報在兌換回其認購及贖回貨幣後,或會有別於按基本貨幣計算所得之數。
4. 基金可應用金融衍生工具以達致有效投資組合管理或減輕其投資的整體風險。若投資顧問為達致有效投資組合管理及對沖目的而運用技巧及金融衍生工具的期望落空或失敗,則本基金或會蒙受重大損失,股份的資產淨值亦會受到不利影響。由於金融衍生工具可屬複雜工具,運用金融衍生工具可能導致本基金資產淨值出現較大波動。
5. 就每月派息-1股份類別而言,投資者務請留意以下各項:a) 本基金可動用自本股份類別的資本部分股息;b) 此資本撥付股息即屬自投資者的原有投資或自該原有投資應佔的任何資本價值作部分退還或撥款;c) 任何分派若牽涉從該類股份資本撥付股息,將會令每股資產淨值即時下降;d) 股息成份(即過去12個月自(i)可分派收入淨額及(ii)資本中撥付的相對款額)(「股息成份資料」)可向香港分經銷商代表要求索取,並載於「網站未經證券及期貨事務監察委員會「證監會」審閱」。
6. 基金之價值會有所波動,並有可能於短期內大幅下跌。
7. 閣下不應僅憑此廣告而作出投資決定,在投資決定之前閣下必須詳閱香港銷售文件(包括風險因素)。

← the font size of the risk disclosure / warning statements should be comparable to the main text (excluding headings and footnotes) of the advertisement

FUND NAME

SLOGAN

A(美元)每月派息-1
平均年息率為

3.5%*

(旨在每月派息,派息率並不保證,並可從股本中分派。
請注意重要事項5)

詳情請參閱「網頁或與各大分銷商聯絡」。

← benefits and returns are presented disproportionately larger than the risks of the fund

資料來源: 晨星及「」,截至2014年6月31日。

* 股息並不保證。基金資產淨值於股息派發之除淨日或會下跌。「」基金A(美元)每月派息-1股份類別的成立日期為2013年8月21日。其過去每月年息率為: 2013年9月30日: 4.68%; 2013年10月31日: 4.59%; 2013年11月29日: 4.69%; 2013年12月31日: 4.77%; 2014年1月31日: 4.92%; 2014年2月28日: 4.83%; 2014年3月31日: 4.70%; 2014年4月30日: 4.65%; 2014年5月30日: 4.57%; 2014年6月30日: 4.52%; 2014年7月31日: 4.45%及2014年8月29日: 4.40%。平均年息率=過去每月年息率總和÷派息期數。價值不足50萬美金(或其等值)的分派款項將自動撥作增購同類股份。

投資附帶風險。過往業績並不代表將來會有類似業績。投資者應細閱有關基金章程,並參閱有關產品特性及其風險因素。正分派收益並非意味可取得正回報。此廣告「」網站並未經證券及期貨事務監察委員會審閱。此廣告由「」刊發。

Advertisements of SFC-authorized funds

Example 2

重要事項：

1. 基金投資於亞太區（日本除外）內、投資經理人預期會派發股息的公司之股票，基金將有限度投資於以人民幣計價的資產項目。基金投資於可產生收益的股票、債券及其他證券的多元化組合，基金將有限度投資於以人民幣計價的投資項目。
2. 基金因須承受多種投資相關風險，包括新興市場、股票、派息股風險（概無保證本基金會投資並會派息。公司將於未來繼續派息或以現時比率派息）、房地產市場相關風險（包括房地產投資信託及其他地產相關證券；不允許直接投資地產）、分散投資、貨幣、分派（分派、分派率或收益率並不受保證）風險、貨幣對沖類別的對沖及類別貨幣相關風險。基金亦須承受多種投資相關風險，包括新興市場相關風險、信貸市場相關風險、投資個別債券風險，可能影響債券價格之利率風險、房地產市場相關風險（包括房地產投資信託及其他地產相關證券；不允許直接投資地產）、流通性、分派（分派、分派率或收益率並不受保證）及歐元區主權債務危機風險。低於投資級別或未獲評級債務證券之投資，可能須承受相比投資級別債務較高之流通性風險及信貸風險，並增加投資損失之風險。貨幣對沖類別的對沖及類別貨幣相關風險。基金亦須承受可能影響債券價格之利率風險、信貸市場相關風險、新興市場、貨幣、流通性風險，以及貨幣對沖類別的對沖及類別貨幣相關風險。低於投資級別或未獲評級債務證券之投資，可能須承受相比投資級別債務較高之流通性風險及信貸風險，並增加投資損失之風險。
3. 人民幣對沖類別的人民幣貨幣及貨幣對沖類別風險。人民幣現時不可自由兌換。將境外人民幣（CNH）兌換為境內人民幣（CNY）是一項貨幣管理程序，須遵守由中國政府實施的外匯管制政策及限制。概無保證人民幣不會在某個時間點值，在極端市況下市場未能提供足夠人民幣作兌換時及價值管理人士批准後，經理人可以美元支付贖回所請款項及/或分派。
4. 當基金所得之收入並不足夠支付基金宣佈之分派時，經理人有權酌量決定該分派可能由資本（包括實現與未實現資本收益）撥款支付。投資者應注意，從資本撥款支付分派即代表從投資者原先投資基金之款項或該項項先投資應佔的任何資本增值退回或提取部分金額。基金作出任何分派均可能導致每單位資產淨值即時下跌。
5. 投資者可能須承受重大損失。
6. 投資者不應單憑本文件作出投資決定。

FUND NAME

SLOGAN

GRAPHIC

資產管理憑藉專業獨到的投資眼界，率先推出一系列「人民幣對沖類別」基金，於多隻股票、股價混合及債券基金加入人民幣投資選擇，為您締造多重潛在回報，開拓更廣闊的投資出路！

PERFORMANCE INFORMATION

股票	基金	8.28%
股價混合	基金	7.70%
債券	基金	7.62%

(此類別旨在每月派息。派息率並無保證，分派可能由資本撥款支付。注意重要事項4)

查詢詳情，請聯絡您的銀行或財務顧問。

← the font size and spacing of the risk disclosure/warning statements should be comparable to the main text (excluding headings and footnotes) of the advertisement

- Key risks should be highlighted in a clear, concise and effective manner (note: direct “cut and paste” of all the risks disclosures from the offering documents including KFS should be avoided)

← benefits and returns are presented disproportionately larger than the risks of the fund

Advertisements of SFC-authorized funds

Example 3

The image shows three fund advertisements. Each advertisement features a performance figure for '年初至今表現' (Performance from start of year to date) and a dividend rate for '最新年度化派息率' (Latest annualized dividend rate). The performance figures are 14.6%, 28.5%, and 5.0%. The dividend rate is 6.3%. A note below the dividend rate states '息率不獲保證，派息可從資本支付 注意重要事項5' (Dividend rate is not guaranteed, dividends can be paid from capital, please see important item 5). At the bottom, there is a table of historical performance data for the years 2009 to 2014, with the 2013 and 2012 data for each fund circled in red.

基金	2013	2012	2011	2010	2009
基金 1	-6.0%	+22.2%	-11.6%	+37.4%	+86.2%
基金 2	-3.7%	+17.8%	-8.3%	+9.1%	+27.1%
基金 3	-9.3%	+15.3%	-6.7%	+9.1%	+27.1%

Less-than-one-year's performance figure(s) should be presented in the same format as, and no more prominently than, the most recent 1-year figure.

For distributing share classes for which dividend payment is subject to management company's discretion, any statement of "regular (e.g. monthly) distribution share class is available" should be accompanied with a statement of "[the fund] aim[(s)] to pay dividend on a regular (e.g. [monthly]) basis" (旨在 [每月]派息) of similar prominence and close proximity.