

## Glossary

### Terms of Underlying Fund's Information

#### Asset Allocation

The weighting of Asset Allocation of an underlying fund is assigned by Morningstar by categorizing the investment holdings into different asset classes (Stocks, Bonds, Cash, Other). The weighting on each asset class in an underlying fund is the sum of market value of the investment holdings categorized to that specific asset class, divided by the sum of market value of all investment holdings.

#### Morningstar Rating™

3 Years Morningstar Rating™	A rating on the underlying fund determined by Morningstar based on its risk-adjusted return over the past 3 years.
5 Years Morningstar Rating™	A rating on the underlying fund determined by Morningstar based on its risk-adjusted return over the past 5 years.
10 Years Morningstar Rating™	A rating on the underlying fund determined by Morningstar based on its risk-adjusted return over the past 10 years.
Overall Morningstar Rating™	A rating on the underlying fund determined by Morningstar based on the weighted average of the available risk-adjusted return over the past 3, 5, and 10 years (if applicable).

The Morningstar Rating™ for the underlying fund is determined by Morningstar and is solely based on an underlying fund's past risk-adjusted return and is not subjective in nature. The Morningstar Rating™ is for reference only. An underlying fund with a high Morningstar Rating™ does not indicate that the underlying fund can achieve strong performance in the future. The Morningstar Rating™ should be considered as a screening tool in the investment choices selection process and is not a recommendation to allocate, switch or to redeem units of investment choices linked to underlying funds. The Morningstar Rating™ brings load-adjustments, performance (returns) and risk together into one evaluation. To determine an underlying fund's star rating for a given time period (3, 5 or 10 years), the underlying fund's risk-adjusted return is plotted on a bell curve: if the underlying fund scores in the top 10% of its Morningstar Category, it receives 5 stars (Highest); if it falls in the next 22.5% it receives 4 stars (Above Average); a place in the middle 35% earns 3 stars (Average); those lower still, in the next 22.5%, receive 2 stars (Below Average); and the bottom 10% get only 1 star (Lowest).

#### Top 10 Holdings

The Top 10 Holdings are assigned by Morningstar based on its calculation on the top 10 investment holdings of the underlying fund.

#### World Regions

The allocation of weighting in World Regions of an underlying fund is assigned by Morningstar by categorizing the investment holdings into different geographical regions. The weighting on each geographical region in an underlying fund is the sum of market value of the investment holdings categorized to that specific geographical region, divided by the sum of market value of all investment

holdings.

**Investment involves risks. Past performance should not be taken as an indication of future performance. The value and income derived from investments can go up and down. Investment returns are not guaranteed.**

**The return of investment under the ILAS plan, subject to the fees and charges of the plan, may be lower than the return of the underlying funds corresponding to the investment choices. The performance of the underlying fund is for reference only.**

**Warning: You should not make any investment decision solely based on information contained herein. You should read the offering documents of the corresponding underlying funds for further details including the risk factors. The documents are available from BOC Life upon request or downloadable from our website.**

**The above information is provided by Morningstar and for reference only. Please visit the website below for detailed methodologies adopted by Morningstar:**

**[https://www.morningstar.com/research/signature?utm\\_source=morningstar.hk&utm\\_medium=referral&utm\\_content=research%2Fsignature](https://www.morningstar.com/research/signature?utm_source=morningstar.hk&utm_medium=referral&utm_content=research%2Fsignature)**

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