



APPENDIX 7

Table of Investor Education Work on Retail Structured Products and Investment Advisers

	Ref. No.	Type	Title	Date	Summary of relevant advice
1.	SP36	Articles - Newspaper	ELNs – A golden opportunity in low interest rate environment? 高息票據：低息下的奇葩？ (in Chinese)	16 Oct 2001	<ul style="list-style-type: none"> • ELNs are not risk-free and whether investors will make positive gains depend on the price movement of the underlying assets, and they will incur losses if the price of the underlying assets move against their expectations.
2.	SP35	Articles – Newspaper	Things to know before investing in structured products 高息產品買賣須知 (in Chinese)	23 Oct 2001	<ul style="list-style-type: none"> • The article briefly explains what information would be set out in the offering documents of a structured product. • Investors are reminded to read the offering documents of the structured product in detail and understand the features and trading procedures of a particular product if they wish to be successful in their investments. • SFC has repeatedly advised investors to learn before investing. Investors must understand fully the features of a product and consider their own risk tolerance level before investing. • Before investing, investors should have a good understanding of the mechanics of stock options.
3.	SP74	Leaflet	Invest Wisely	Nov 2001	<ul style="list-style-type: none"> • The leaflet explains the key features and risks of



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			精明投資 (bilingual)		<p>ELNs. It reminds investors ELNs are not time deposits and the return is not guaranteed. Investors may suffer capital loss and even risk losing their entire capital, while the upside is limited.</p> <ul style="list-style-type: none"> • It reminds investors to form their view on the underlying asset. • The leaflet also urges investors to read and understand product documentation before investing.
4.	SP34	Articles – Newspaper	<p>ELN series – High return comes with high risks for ELNs</p> <p>《解構高息票據系列》— 高息票據涉及高風險 (in Chinese)</p>	6 Nov 2001	<ul style="list-style-type: none"> • It is noted that ELNs used to be available to institutional investors and high net-worth individuals only but have become popular among the Hong Kong investing public. In a low interest rate environment, many investors are attracted by these “high return” investments, as the minimum investment amount is lowered, plus there is widespread reporting of these products by the media and active promotion by product issuers. • ELNs are characterised as a derivative instrument involving the features of both notes and stock options. Before investing, investors should have a good understanding of the mechanics of stock options. • Investors are warned that ELNs do not offer guaranteed return, unlike bank time deposits. • Investors must make sure they understand the high



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					risks involved. They must make their investment decision after taking into account their own investment experience, financial conditions and investment objectives, and not solely because of the "high returns" advertised.
5.	SP33	Articles – Newspaper	ELN series – Investing in ELNs may incur big losses if the market goes against you 《解構高息票據系列》－買高息票據「估錯市」虧損大 (in Chinese)	7 Nov 2001	<ul style="list-style-type: none"> ELNs are high risk derivative instrument. The investment return on an ELI depends on the future price movements of the underlying stocks. Investors will have the risk of suffering significant losses if the price of the underlying stock moves against their view. Investors are reminded to have a good understanding of options.
6.	SP32	Articles – Newspaper	ELN series – Risks of bear and range ELNs 《解構高息票據系列》－看跌及勒束式高息票據的風險 (in Chinese)	8 Nov 2001	<ul style="list-style-type: none"> The article explains key features and associated risks of bear ELNs and range ELNs. Investors may lose all their capitals if the market goes against them.
7.	SP31	Articles – Newspaper	ELN series – Things to know before investing in ELNs 《解構高息票據系列》－高息票據買賣須知 (in Chinese)	9 Nov 2001	<ul style="list-style-type: none"> Investors are warned that since ELNs are complex products with option feature, the risks involved are very high and there is no guarantee of high returns. Investors must not be attracted solely by the high interests and ignore the potential risks involved. Before investing, investors must read the offering documents carefully to understand the terms and conditions and avoid any investments whose risk



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					<p>tolerance level is beyond what the investors can accept.</p> <ul style="list-style-type: none"> • If investors wish to invest in ELNs, they should first understand how an option works.
8.	SP27	Articles – Magazine	ELNs are not capital guaranteed 高息票據也可能蝕掉本金 (in Chinese)	15 Nov 2001	<ul style="list-style-type: none"> • Basic features of equity-linked notes are explained and it is noted that ELNs combine the features of both notes and stock options. • A worst case scenario (where an investor may suffer total loss) is given in the article and investors are reminded that there is no guarantee of high returns. Investors are warned of the possibility that they may lose their entire investment and they should consider all relevant risks before investing.
9.	SP30	Articles - Newspaper	ELNs are not fixed deposits 高息票據有別於定期存款 (in Chinese)	15 Nov 2001	<ul style="list-style-type: none"> • Basic features of ELNs are explained and it is noted that many investors are interested in using their money originally in time deposits to purchase ELNs. • Investors are reminded that ELNs are not equal to bank time deposits and there is no guarantee of high returns. • Investors are warned that they could make a loss.
10.	SP29	Articles - Newspaper	Return of ELNs depends on underlying price on the valuation date 高息票據回報看估價日收市	10 Dec 2001	<ul style="list-style-type: none"> • In the form of a case study and Q&As, the article points out that ELNs are not time deposits. It also explains key features of ELNs and how the return of ELNs is calculated.



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			(in Chinese)		
11.	SP38	Articles - Newspaper	Mrs Shea's advice on ELIs 余老太臨別 相贈 ELI 心法 (in Chinese)	5 Aug 2002	<ul style="list-style-type: none"> Investors are advised to read the offering documents to understand how ELIs work and their terms and conditions before investing in ELIs.
12.	SP37	Articles - Newspaper	Getting into ELIs 投資 ELI 實錄 (in Chinese)	13 Aug 2002	<ul style="list-style-type: none"> In the form of a case study and Q&As, the article explains key features and liquidity provider mechanism of listed ELIs.
13.	SP104	Leaflet	Invest Wisely – Equity-linked Instruments 精明投資 – 股票掛鉤投資工具 (bilingual)	Sep 2002	<ul style="list-style-type: none"> The leaflet highlights key features and risks of ELIs. ELIs are different from traditional time deposits with no guaranteed return. Investors may lose their entire capital if the market goes against them, with examples to illustrate bull and bear ELIs.
14.	SP42	Articles - Newspaper	Be careful if the market goes against you when investing in ELIs ELI 小心睇錯市 (in Chinese)	16 Jun 2003	<ul style="list-style-type: none"> Investors are advised to read the offering documents and understand the characteristics of ELIs and their related fees and charges.
15.	SP73	Outreach activities - Seminars	Teachers Workshop on Alternative Investments	Oct 2003	<ul style="list-style-type: none"> The workshop discusses key features and risks of various investment instruments, including ELNs.
16.	SP01	Articles – InvestEd	Structured Products - About Structured Products – Explaining Structured Notes 結構性產品 - 關於結構性產	Dec 2003	<ul style="list-style-type: none"> What are CLNs and how they work, including a brief explanation of the swap arrangements behind CLNs.



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			品 - 闡釋結構性票據 (bilingual)		
17.	SP02	Articles – InvestEd	Structured Products - About Structured Products – Evaluating Structured Notes 結構性產品 - 關於結構性產 品 - 評估結構性票據 (bilingual)	Dec 2003	<ul style="list-style-type: none"> • Creditworthiness of issuer and “limited recourse” nature of CLNs and ELNs are discussed.
18.	IA52	Articles – Newspaper	Investment Compass – Investment Adviser 投資指南針- 投資顧問 (in Chinese)	12 Dec 2003	<ul style="list-style-type: none"> • The article explains that an investment adviser should understand his client’s investment objective, experience and analyse his financial status before recommending a suitable investment portfolio. • Investors should ask and understand why the investment adviser recommends the investment portfolio and whether the portfolio is sufficiently diversified and can be easily liquidated.
19.	SP87	Press Release	Advice to Investors on Structured Notes 就結構性票據給投資者的建 議 (bilingual)	29 Dec 2003	<ul style="list-style-type: none"> • Investors should note that not all CLNs are capital protected. • Investors should read the offer documents or the term sheet to understand the pay-off mechanism and other terms and conditions of a structured note. • Where in doubt, investors should consult their



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					financial advisors.
20.	SP04	Articles – InvestEd	Monthly Focus - Structured Notes are Different from Plain Vanilla Bonds 每月焦點 - 結構性票據與傳統的普通債券不同 (bilingual)	Jan 2004	<ul style="list-style-type: none"> • This article summarises some key features of ELNs and CLNs and warns investors that these structured notes are different from plain vanilla bonds. • Investors are also warned that the major risk factor they need to consider when purchasing structured notes is that they may not be capital protected. • Investors are also reminded to find out who the issuer of the structured notes is and whether such issuer/its guarantor is creditworthy and if the issuer is a SPV. The ability of the issuer to meet its obligations to noteholders depends on the receipt of monies from the underlying debt securities, which are purchased using the proceeds paid by the noteholders. • <i>"Because a structured note may carry novel features, thus, it is important for prospective investors to read the offering document or the term sheet to understand its terms and conditions. When in doubt, consult your investment adviser on its suitability as an investment."</i>
21.	IA53	Articles - InvestEd & Press Release	Dr. Wise – The Tao of Investing 慧博士 – 投資有道及新聞稿 - 《慧博士專欄》農曆新年特稿 (bilingual)	Jan 2004	<ul style="list-style-type: none"> • Investors are reminded that if they do not understand, they should seek professional advice. • Investors should note that a professional who gives them advice needs to understand their appetite for risk, desired returns and liquidity needs before he can



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					provide the right advice. Investors are advised to get a second opinion if they are not sure.
22.	SP48	Articles - Newspaper	Things to know for ELNs 股票掛鈎票據 (in Chinese)	6 Jan 2004	<ul style="list-style-type: none"> Investors should read the offer documents and/or the terms and conditions to understand the features of ELNs.
23.	SP47	Articles - Newspaper	Frequent credit events lower the interest of CLNs 信貸事件愈多 掛鈎票據息率愈低 (in Chinese)	7 Jan 2004	<ul style="list-style-type: none"> The payment of interest/principal under CLNs will be affected by the occurrence of "credit events" which, in general, include bankruptcy and inability to pay. Depending on the terms and conditions of the CLNs, investors will (i) get a reduced interest payout or (ii) get no interest payout upon the occurrence of a credit event. In some cases the CLNs will be early redeemed upon the occurrence of a credit event. The early redemption amount is dependent on the amount of the sale proceeds of the relevant debt instruments, and investors could get an amount which will be less than the principal amount in the event of early redemption. First-to-default CLNs – the credit event that leads to redemption is referenced to the first credit event amongst all underlying entities. In some cases the issuer will use the proceeds to purchase collaterals which are bonds that generate cashflow for the purpose of meeting its obligations. CLNs/ELNs often involve complicated



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					currency/interest swap arrangements which usually exist when the notes and the relevant bonds are denominated in different currencies, and investors are warned that if the swap counterparty defaults, (i) the issuer might not be able to honour its obligations under the notes and (ii) the amount for repayment will be reduced by the fees incurred as a result of the termination of the swap agreement.
24.	SP46	Articles - Newspaper	Evaluating the issuer of a structured product 評估結構性票據的發行商 (in Chinese)	8 Jan 2004	<ul style="list-style-type: none"> • Although ELNs and CLNs are usually linked to reputable corporations, investors should note that those corporations do not have any obligation at all and the obligation to pay interest/principal is borne by the issuer. • If the issuer is an SPV, it will use the proceeds to purchase collaterals which are bonds that generate cashflow for the purpose of meeting its obligations. • Limited recourse – investors' claims are only confined to the amount recovered from the realisation of the relevant bonds. • Investors should check the terms and conditions and see whether the issuer is entitled to some special rights, e.g. the right to extend the investment tenor and the right to early redeem the notes. • Investors should not confuse the existence of a guarantor with "capital-guarantee"/"principal-



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					guarantee".
25.	SP44	Articles - Newspaper	Your rights as a structured product holder 持有結構性票據的權益 (in Chinese)	9 Jan 2004	<ul style="list-style-type: none"> Investment in ELNs or CLNs is not the same as investing in the underlying securities or assets and hence investors of ELNs/CLNs are not entitled to the rights resulting from the ownership of such underlying securities/assets. The value of the notes will be affected if the value of the underlying securities changes or if the credit rating of the reference entities is downgraded. Investments in unlisted ELNs/CLNs are not covered by the Investor Compensation Fund. Investors should note that there may be no secondary market for unlisted ELNs/CLNs and even if a secondary market exists, their trading prices will fluctuate depending on various factors. Investors of structured notes are exposed to, among others, the issuer's credit risk. Not all retail notes/bonds are capital-guaranteed. Investors should read the offering documents carefully and understand the features of the notes. They should seek advice from their own financial advisors if in doubt.
26.	SP45	Articles -	Sean's experience in	9 Jan 2004	<ul style="list-style-type: none"> CLN is a type of structured notes. The payment of



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		Newspaper	credit-lined notes 阿遜投資信貸掛鉤票據實錄 (in Chinese)		<p>interest and/or principal will be affected by the occurrence of a “credit event”. Examples of “credit event” include bankruptcy or inability to pay debts.</p> <ul style="list-style-type: none"> • Before investing in CLNs, investors should (i) check the issuer’s financials and the mechanism of the transaction (e.g. whether investors are subject to limited recourse), (ii) understand how interest and principal will be paid, (iii) check whether the notes are guaranteed, (iv) understand whether the notes will be early redeemed or whether the tenor will be extended, and (v) understand that there may be no secondary markets for CLNs. • If the issuer is an SPV, it will use the proceeds to purchase collaterals which are bonds that generate cashflow for the purpose of meeting its obligations. • Limited recourse – investors’ claims are only confined to the amount recovered from the realisation of the relevant bonds. • The existence of a guarantor and “principal-guaranteed” are two different matters. • Investors should note that there may be no secondary market for certain CLNs and even if a secondary market exists, their trading prices will fluctuate depending on various factors. • Investors should read the offering documents carefully



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					and understand the features of the notes. They should seek advice from financial advisors if in doubt.
27.	IA54	Radio programme	"Talk on Wise Investing" - Episode 12: Choosing investment advisers 一五一十講投資 - 第十二集：如何挑選投資顧問 (in Chinese)	21 Feb 2004	<ul style="list-style-type: none"> • This episode of the 15 five-minute radio drama series reminds investors key issues when choosing investment advisers, including: <ul style="list-style-type: none"> - check their SFC licence; - compare the experience and track records of different investment adviser and the company; - learn about their fees and charges and how they get their commissions; - provide personal information to investment advisers to enable them to provide suitable investment advice; and - evaluate investment recommendations, including the rationales behind the recommendations and whether the suggested portfolio has appropriately diversified risks.
28.	IA55	Articles – InvestEd & Press Release	Dr. Wise – Financial Advisers - take your time to find the one who can serve you best 慧博士 – 投資顧問 - 要選擇能提供最切合自己需要服務的人選 切勿操之過急 (bilingual)	Apr 2004	<ul style="list-style-type: none"> • A professional financial adviser should try to understand an investor's needs by asking him relevant questions, and an investor should prepare beforehand by thinking through his financial needs, investment objectives and risk tolerance, etc. • To make the assessment, an investor needs to understand the advice being given. If there is something he does not understand about a product, he should ask the adviser. It is dangerous to put one's money into something he does not understand.



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					<ul style="list-style-type: none"> • When being asked to sign a disclaimer, an investor must understand why he is required to sign the disclaimers, and what responsibilities the adviser is disclaiming. • Investors are reminded to read the client agreement. If there is anything they do not understand in a document, they should not sign it. • Investors are also advised to check that their adviser is licensed and that the products are legitimate. Investors should be cautious of any promise of quick and easy profits and any no-loss guarantee. They should review their portfolio statements and raise any questions they may have with their advisers.
29.	SP03	Articles – InvestEd & Press Release	Dr. Wise - Investing in Bonds 慧博士 - 投資債券及新聞稿 - 慧博士就投資債券提供意見 (bilingual)	May 2004	<ul style="list-style-type: none"> • This article discusses the change in market trend back then, e.g. financial institutions use bonds as vehicles to offer “structured” financial products that provide investors with an exposure to a specified investment opportunity and investors in Hong Kong are increasingly being presented with a wide range of investment opportunities structured that way. • The article warns investors that all investments involve some degree of risks that they might suffer a loss of principal and it is no different with bonds. • The article contains some brief description of the



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					<p>"principal features" of CLNs.</p> <ul style="list-style-type: none"> Investors are warned that the financial health and creditworthiness of the issuer and changes in the price/level of the underlying stocks or index to which the bonds are linked may affect the market value of the bonds. The article sets out a number of questions that investors should ask themselves before reaching the investment decision, including how creditworthy the issuer is; whether the bonds are capital or principal protected and whether the coupon is fixed or linked to credit events. The article also sets out the main risks of bond investing, including credit risk, liquidity risk and event risk. It is stated that <i>"it is essential [for investors] to take the time to understand what the bond involves and assess whether it is suitable for you. If you are in any doubt, seek advice from the broker or bank offering the investment. These persons are required to provide you with the prospectus, satisfy themselves that the investment is suitable for you and explain the features and risks arising before they accept your application to invest."</i>
30.	SP75	Outreach activities -	Teachers Workshop on	May 2004	<ul style="list-style-type: none"> The workshop discusses key features and risks of



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		Seminars	ELIs and Bonds		ELIs, listed ELIs and urges investors to read product documentations before investing.
31.	IA57	Articles – magazine	Hong Kong Institute of Investors Newsletter: Your Choice to Invest Wisely – Should we disclose personal financial background to investment advisers? 投資智慧 - 應否向投資顧問透露個人財務資料 (in Chinese)	Jul 2004	<ul style="list-style-type: none"> • The article reminds investors the “dos” and “don’ts” in choosing an investment adviser, which among others, include understanding why a particular product is recommended by the investment adviser and reading carefully information such as investment objectives, features and risks in the offering document. • It also reiterates the responsibilities of an investment adviser to understand his client’s investment objective, experience and analyse his financial status before recommending an investment portfolio.
32.	IA56	Articles – magazine	Choice magazine column: Your Choice to Invest Wisely – Should we disclose personal financial background to investment advisers? 選擇月刊專欄：投資智慧 - 應否向投資顧問透露個人財務資料 (in Chinese)	15 Jul 2004	<ul style="list-style-type: none"> • The article provides some tips for investors in choosing an investment adviser including: <ul style="list-style-type: none"> - Understand the recommended investment product by reading carefully information such as investment objectives, features and risks in the product offering document; - Request written proposals and understand why certain products are recommended; - Understand clearly how fees are charged and the scope of services; and - When being asked to sign a disclaimer, understand why and what responsibilities of the investment adviser are exempted; • An investment adviser has the responsibility to know



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					<p>his client's investment objective, experience and analyse his financial status before recommending an investment portfolio.</p> <ul style="list-style-type: none"> Investors should consider carefully any investment proposal involving leveraging which incurs additional risks, taking into account their own risk acceptance level.
33.	SP111	Articles – InvestEd	Alternative Investments - FAQs	Sept 2004	<ul style="list-style-type: none"> One of the questions and answers explains the regulatory regimes of the offer of ELDs, listed or unlisted shares and debentures. Investors are also reminded to get familiar with the risks, features and the method for determining the potential return of a structured product before making any investment decision.
34.	SP102	TV Programme	Foundations in Wealth Management – Episode 6: The Art of Structures 財富管理基礎系列第六集 - 高息的疑惑 (in Chinese)	Nov 2004	<ul style="list-style-type: none"> The TV programme reminds investors that before investing, they should read the offering document and understand key features, associated risks of a structured product. Investors should also take into account their financial positions and investment objectives.
35.	IA58	TV Programme	Cable TV interview with the SFC Chairman 有線電視訪問證監會主席 (in Chinese)	4 Nov 2004	<ul style="list-style-type: none"> In the interview, the then SFC Chairman talked about a thematic inspection on investment advisers to ensure they did not violate relevant regulations.



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					<ul style="list-style-type: none"> • He also reminded investors that when choosing an investment adviser, they should protect their own rights by asking the investment adviser to explain the rationale behind their recommendations and not signing their rights away if they do not fully understand the product.
36.	IA60	Outreach activities – Seminars	Teachers Workshop -The intermediate Funds module 教師工作坊: 基金中級工作 坊	15 Nov to 16 Dec 2004	<ul style="list-style-type: none"> • A total of 11 workshops were held. One of the module covered factors to consider in choosing an investment adviser.
37.	SP43	Articles - Newspaper	Why do structured products offer high interests 高息結構性產品為何高息? (in Chinese)	16 Nov 2004	<ul style="list-style-type: none"> • Investors should not confuse the issuer of structured products with the underlying corporations. • The duty to repay is borne by the issuer and not by the underlying corporations.
38.	IA59	TV Programme	Foundations in Wealth Management 認識心頭好 投資同路人 (bilingual)	23 Nov 2004	<ul style="list-style-type: none"> • Investors are reminded to choose an investment adviser whom they can trust. • Investors should find out the fees and charges and provide their personal information to the investment adviser so that he/she can give the most appropriate advice. • Investor should assess the investment adviser's advice to see if it is suitable for them.



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39.	IA61	Articles - InvestEd & Press Release	Dr. Wise – Don't Sign Your Life Away 慧博士 – 一揮而就 權益知否？及新聞稿 – 慧博士提醒投資者簽署文件要留神 (bilingual)	Feb 2005	<ul style="list-style-type: none"> Investors are reminded to check the services to be provided and their rights and responsibilities before signing a client agreement. Investors should be cautious when they are asked to sign a document which seeks to disclaim or limit liability on their adviser's acts or advice. If investors rely on their adviser's advice in making investment decisions, they must remember not to sign to confirm that they have made the decisions themselves. Investors need to understand the pros and cons of recommended products and assess the suitability of those products given their own circumstances.
40.	IA62	Leaflet	Questions to Ask When Seeking Investment Advice 投資顧問 問清問楚 (bilingual)	23 Feb 2005	<ul style="list-style-type: none"> The leaflet explains what questions investors should ask when seeking investment advice and how to evaluate the suitability of the investment advice. Topic includes: <ul style="list-style-type: none"> Know your own investment objectives Get to know your adviser Carefully consider the financial plan Know the recommended product Don't sign away your rights.



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41.	IA63	Outreach activities - University	Lingnan University: Workshop on The Craft of Financial Investing: Seeking Investment Advice & Specialised Funds 投資人生：投資顧問及專門性基金	8 Mar 2005	<ul style="list-style-type: none"> The workshop focused on consumerism in engaging investment advisers, what a fund investor should know when buying guaranteed funds, hedge funds and real estate investment trusts, and the responsibilities of investment advisers.
42.	SP78	Outreach activities - University	Lingnan University - The Craft of Financial Investing: Bonds and Structured Notes	22 Mar 2005	<ul style="list-style-type: none"> The lecture discusses key features and risks of structured notes, highlights that structured notes are different from plain vanilla bonds. It also talks about tips to evaluate them and advised areas to consider before investing.
43.	IA11	Articles – InvestEd	Investment Advisers - Regulatory Landscape 投資顧問 - 監管制度 (bilingual)	Apr 2005	<ul style="list-style-type: none"> The article explains the regulatory regimes for three groups of intermediaries providing financial advisory services – the SFC-licensed investment advisers, banks and insurance intermediaries.
44.	IA12	Articles – InvestEd	Investment Advisers - A Good Investment Adviser 投資顧問 - 盡責的投資顧問 (bilingual)	Apr 2005	<ul style="list-style-type: none"> Before recommending an investment product, the adviser must have a thorough understanding of the product such as its nature and risks. The adviser should have performed thorough due diligence work. The adviser should make recommendations that are reasonably suitable for investors, given their own circumstances. The adviser should ensure that a plan/recommendation is provided in writing.



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					<ul style="list-style-type: none"> It is not enough for the adviser to hand over a product brochure to investors and treat it as self-explanatory. A good adviser should give proper information and explanation to help investors make informed investment decisions. He should also ensure regular monitoring of investors' investments and updating their profile and details.
45.	IA13	Articles – InvestEd	Investment Advisers - Questions to Ask When Seeking Investment Advice 投資顧問 - 保障自己 問清 問楚 (bilingual)	Apr 2005	<ul style="list-style-type: none"> Investors should ask questions to safeguard their interests, in particular they should ask questions about the advisers, the plans that they provide and the products they recommend. Investors are also advised to read and understand the agreements/disclaimers and not to sign anything unless they understand the contents of it.
46.	IA14	Articles – InvestEd	Investment Advisers - Selling Unauthorized Products 投資顧問 - 未經認可的投資 產品 (bilingual)	Apr 2005	<ul style="list-style-type: none"> Investors should pay special attention when their advisers recommend an unauthorised investment product to them and they should be careful when they are asked to sign written confirmations.
47.	IA15	Articles – InvestEd	Investment Advisers - Cases of Questionable Sales 投資顧問 - 值得商榷的銷售 個案 (bilingual)	Apr 2005	<ul style="list-style-type: none"> Investors are warned that unsuitable investment recommendations can result in substantial losses.



	Ref. No.	Type	Title	Date	Summary of relevant advice
48.	IA16	Articles – InvestEd	Investment Advisers - Lessons to learn from a Mis-selling Case 投資顧問 - 從不當售賣個案 汲取經驗 (bilingual)	Apr 2005	<ul style="list-style-type: none"> Investors are advised that (i) they should not over rely on their investment adviser and they should take charge of their own interests; (ii) they should ask questions about their investment proposal before accepting it; (iii) gearing up to invest is risky; (iv) they should not sign anything unless they have read and understood it; and (v) although they can take action for mis-selling, suing a person/company can be complex and costly.
49.	IA64	Articles – magazine	Hong Kong Institute of Investors Newsletter: I have an engagement with my investment adviser 我和投資顧問有個約會 (in Chinese)	25 Apr 2005	<ul style="list-style-type: none"> The article reminds investors key things to note when engaging investment advisers. These include: <ul style="list-style-type: none"> understand why the investment product is recommended; understand the mechanics of the investment product and the underlying risks of the product and whether these risks are acceptable; know the liquidity of the product and the charges for early redemption; ask if there are other investment alternatives be cautious when being asked to apply for a loan to increase the investment capital; and understand clearly the rights and obligations when being asked to sign a disclaimer and what responsibilities of the investment adviser are to be exempted. The investment adviser should also constantly keep his clients informed of the status of the investment.



	Ref. No.	Type	Title	Date	Summary of relevant advice
50.	SP05	Articles – InvestEd & Press Release	Dr. Wise – Should you invest in structured notes? 慧博士 - 你應該投資結構性票據嗎? 及新聞稿 - 慧博士就結構性票據提供意見 (bilingual)	July 2005	<ul style="list-style-type: none"> • This article uses a hypothetical example to advise investors that structured notes may not be suitable for everyone, e.g. the 70-year-old man in the story decided that structured notes are not suitable for him and that he would continue to put his money in bank deposits. Whether an investment is suitable depends on the investor's investment objectives, financial position and risk tolerance. Changes in the investment environment are another important factor to consider. • The article asks "if high return low risk investment opportunities really exist in this world". • This article tells investors that "structured notes are a bit like bonds, but their nature and inherent risk are different. Structured notes are products combining note with financial derivatives, such as options. Their returns are linked to the performance of other financial instruments." • The article briefly explains the main features of CLNs and ELNs. • It warns investors that the majority of structured notes are not principal-guaranteed and that the brochures all contain warnings about this. • Investors in structured notes must also understand



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>that the returns on the notes rely largely on the performance of the underlying assets and for CLNs, the responsibility to pay interest or repay principal to noteholders is the issuer's responsibility, not that of the company to which the note is linked. Investors should therefore carefully assess an issuer's background, strength and financial status before making an investment.</p> <ul style="list-style-type: none"> • The article also informs investors where they can obtain more information about structured notes.
51.	SP77	Outreach activities - Seminars	Teachers Workshop: Equity-linked Instruments (ELIs) and Bonds	Held on 4 & 13 Jul 2005	<ul style="list-style-type: none"> • The workshop discusses key features of ELDs and ELIs. It also mentions CLNs, interest rate linked notes/deposits and currency linked notes/deposits. • It highlights that ELIs are a yield enhancement, short-dated and hold-to-maturity product. This product has unlimited risk from the embedded short position of the stock option and does not preserve capital. • It points out that the payments of interest, principal or both of CLNs are affected by the occurrence of "credit events" of a single company or a group of companies. • It reminds investors to read product documentation, assess their personal situations etc before investing.



	Ref. No.	Type	Title	Date	Summary of relevant advice
52.	SP28	Articles – Magazine	What are ELNs? 何謂結構性票據? (in Chinese)	15 July 2005	<ul style="list-style-type: none"> • It is noted that structured notes combine features of both notes and derivatives, the return of which is linked to other financial products. • It is noted that ELNs and CLNs are common in the market. • Basic features of ELNs and CLNs are explained. • Investors are reminded that the background and financial strength of the issuer should be one of the factors for consideration when deciding whether or not to invest. • Investors are warned that they must read the offering documents carefully and understand the features of the relevant structured notes before deciding to invest.
53.	IA65	Articles - InvestEd & Press Release	Dr. Wise – Protecting Your Interest Starts With Asking the Right Questions 慧博士 – 保障你的權益 從發問適當的問題開始及新聞稿 – 慧博士談財務顧問及投資產品建議 (bilingual)	Oct 2005	<ul style="list-style-type: none"> • Investors are reminded that different investment products have different pros and cons, and may be suitable for investors with different investment objectives, risk profiles and other personal circumstances. • Given the increasing complexity of the investment products available in the market, investors are reminded to fully understand the products, including their features, costs, charges and risks, before deciding whether to make the investment. This is



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>particularly important when investors are dealing with products with features designed to keep their money locked-up for a long time.</p> <ul style="list-style-type: none"> • With a view to protecting their own interests and finding a suitable investment product, investors are encouraged to ask more questions when assessing a product recommendation made by intermediaries, including: <ul style="list-style-type: none"> - Why is the recommended product suitable to you, based on your personal circumstances (including your investment objectives, investment horizon and attitude to risk), and the product's features and risks? - Is the recommendation confined to products offered by specific providers? If so, why only those providers? - What are the alternatives available and why are they not being recommended? - Have you been given all the relevant information about the recommendation?
54.	IA66	Outreach activities – Exhibition	Financial World Expo 2005 Quiz 財經博覽 2005 問答遊戲	9 Oct 2005	<ul style="list-style-type: none"> • The quiz tested understanding of investors' rights in engaging investment advisers.
55.	SP76	Outreach activities - Seminars	Investor education seminar organised jointly with Open University of Hong Kong - New Investment Products for Retail Investors	Dec 2005	<ul style="list-style-type: none"> • The seminar reminds the audience that in general, structured products offer a higher interest payout than bonds but structured products are riskier. • Investors should compare the yield of the so-called



	Ref. No.	Type	Title	Date	Summary of relevant advice
			(in Chinese)		<p>"high-yield" products with the risk-free interest rate when assessing the merits.</p> <ul style="list-style-type: none"> Investing in corporate bonds involves credit risk and investors should check the credit status of the relevant corporations. On the other hand, investing in structured products involves "a basket of risks".
56.	SP49	Articles - Newspaper	<p>New Investment Products for Retail Investors 與時並進-- 認識新興投資產品 (in Chinese)</p>	21 Dec 2005	<ul style="list-style-type: none"> In general, structured products offer a higher interest payout than bonds but structured products are riskier. When assessing the merits of the so-called "high-yield" products, investors should compare the yield of such products with the risk-free interest rate. Investing in corporate bonds involves credit risk and investors should check the credit status of the relevant corporations. On the other hand, investing in structured products involves "a basket of risks".
57.	IA17	Articles – InvestEd	<p>Investment Advisers: Getting the Recipe Right 投資顧問 - 選擇投資顧問的竅門 (bilingual)</p>	Before 2006	<ul style="list-style-type: none"> Investors should (i) get the adviser to set out his recommendations in writing; (ii) not make an investment decision merely based on illustrations of investment returns; (iii) read the fine print in the client agreement and not to sign anything that they do not understand; (iv) understand the reasons for signing a disclaimer; and (v) tell the adviser if there are any changes in financial ability or risk tolerance.



	Ref. No.	Type	Title	Date	Summary of relevant advice
58.	SP07 & IA01	Articles – InvestEd & Press Release	Dr. Wise – Before you Invest, Ask the Right Questions 慧博士 – 投資要三思 問清楚好啲及新聞稿 - 慧博士談提出適當問題的重要性 (bilingual)	Jan 2006	<p>Regarding structured products, key messages are:</p> <ul style="list-style-type: none"> Investors should take responsibility to ask the right questions – and understand the answers – before they commit their investment. Investors must learn all that they can about an investment product or service before making an investment or taking up an investment adviser's recommendation. This is crucial in helping investors safeguard their interests and make informed choices. <p>Regarding investment advisors, key messages are:</p> <ul style="list-style-type: none"> Investors need to ask the right questions and understand the answers before investing in order to understand the features of an investment product or service.
59.	SP53	Articles - Newspaper	SFC's Question Corner – Equity-linked notes (ELNs) 「證監會投資要問」專欄 掛鈎票據 穩賺高息? (in Chinese)	23 Jan 2006	<ul style="list-style-type: none"> The article highlights key features of ELNs and reminds investors that the high yield is not guaranteed. They may eventually receive the underlying stocks at a price higher than the prevailing market price. It also reminds investors to check out how the returns of ELNs are calculated and form their view on the underlying stock.
60.	SP08	Articles – InvestEd	Monthly Focus – Before you Invest, Ask the Right Questions 每月焦點 - 投資要三思 問	Feb 2006	<ul style="list-style-type: none"> The article explains the main features of ELNs and states that some investors incorrectly believe that ELNs are low-risk products, similar to time deposits with attractive interest rates, but in fact, they are far



	Ref. No.	Type	Title	Date	Summary of relevant advice
			清楚好啲 (bilingual)		<p>more complicated.</p> <ul style="list-style-type: none"> The article tells investors to ask a few questions which may help them better understand the features and risks of a bull ELN. The questions include: (i) What is the major risk? (ii) Who is the issuer? (iii) Is there any guarantor?
61.	SP52	Articles - Newspaper	SFC's Question Corner - Credit-linked notes (CLNs) 「證監會投資要問」專欄 掛鈎票據考慮因素多 (in Chinese)	6 Feb 2006	<ul style="list-style-type: none"> The returns of CLNs are linked to the credit quality/performance of one or more corporations. The downgrading of credit rating is not necessarily a credit event but it might cause the value of notes to drop. The occurrence of credit event would result in the reduction/cancellation of interest payout or even early redemption. The early redemption amount might be substantially lower than the amount of principal. The responsibility to pay interest/principal is borne by the issuer and not by the underlying corporations and investors should consider the issuer's financial strength and also the market activity in secondary markets.
62.	IA18	Articles – Newspaper	SFC's Questions Corner – Intermediaries Selling ILAS 「證監會投資要問」專欄 - 買 ILAS 先問 8 個問題	20 Mar 2006	<ul style="list-style-type: none"> The article lists out the questions investors should ask, among others, their investment advisers/ insurance agents before investing in ILAS, including why the investment options suit their needs and



	Ref. No.	Type	Title	Date	Summary of relevant advice
			(in Chinese)		investment horizons, features, risks, fees and charges, also issues on the provision of after-sale services
63.	SP82	Outreach activities - University	Lingnan University - The Wisdom of financial Investing: Bonds and Structured Products	22 Mar 2006	<ul style="list-style-type: none"> • The talk discusses the features and risks of bonds and structured products, mainly equity-linked notes and credit-linked notes. • The risks of bonds include credit risk, interest rate risk, currency risk, liquidity risk, re-investment risk and risk associated with special features. • Factors affecting ELI are also discussed.
64.	IA22	Outreach activities - University	Lingnan University - The Wisdom of Financial Investing: Visits to Financial Institutions	29 Mar 2006	<ul style="list-style-type: none"> • Students of the course were arranged to visit a bank and meet the SFC executives to learn more about the work of a financial planner and things to note for investors in engaging investment advisers.
65.	IA24	Outreach activities - University	Lingnan University - Getting Financially Prepared for Your Future: Visits to Financial Institutions	4 Apr 2006	<ul style="list-style-type: none"> • Students of the course were arranged to visit an investment advisory firm to learn more about the work of a financial planner and things to note for investors in engaging investment advisers.
66.	SP103	TV Programme	Investment Challenge – Episode 1 – High Return Behind Equity-linked Instruments –	May 2006	<ul style="list-style-type: none"> • One of the episodes talked about the features and mechanics of ELIs. • ELIs are not risk free. It is possible for investors to



	Ref. No.	Type	Title	Date	Summary of relevant advice
			「投資本色」 #1 - 股票掛鉤投資工具的運作原理 (in Chinese)		<p>receive the worst-performing stock, or its cash equivalent amount, which could be worth less than their original investments.</p> <ul style="list-style-type: none"> • ELIs generally do not allow early redemption. Investors are reminded to know the risks, consider whether the products are suitable for them and should read carefully the offering documents.
67.	SP51	Articles - Newspaper	Investment Challenge Forum: High returns behind equity-linked instruments 「理財快拍」專欄-- 股票掛鉤票據未必收到利息 (in Chinese)	13 May 2006	<ul style="list-style-type: none"> • Investors of structured products might not be able to redeem their investments early. Investors should read the offer documents before investing and they should not confuse structured products with time deposits.
68.	SP79	Outreach activities - Seminars	Teachers Workshop - Alternative Investments: ELIs and Bonds	6 Jul 2006	<ul style="list-style-type: none"> • The workshop discusses the features of bonds and ELIs and their associated risks, including credit risk. • It also explains structured products like CLNs, interest rate linked notes/deposits and currency-linked notes/deposits.
69.	IA19	Articles – Newspaper	Investment Challenge Forum: Engaging Investment advisers 「理財快拍」專欄 - 揀選投資顧問 首要是「問」	15 Jul 2006	<ul style="list-style-type: none"> • Investors should ask their investment advisers if they do not fully understand the features and risks of the products recommended to them. They should always note that investments involve risks and that they cannot over rely on investment advisers' advice.



	Ref. No.	Type	Title	Date	Summary of relevant advice
			(in Chinese)		
70.	IA37	TV Programme	Investment Challenge TV series: Engaging investment advisers 「投資本色」 - <u>股票掛鉤投資工具</u> 我和投資顧問有個約會 (in Chinese)	16 Jul 2006	<ul style="list-style-type: none"> • In one of the episodes in the TV series, the importance of investors asking the right questions before investing and seeking investment advice is emphasised. • It highlighted some key questions to ask, such as "Under what circumstances will there be profits?"; "What factors will affect the return?"; "Any other choices besides the recommended products and why are they not suitable for me?"; "What if I need urgent cash?"; "Will there be any penalty for early encashment?"; "Why you advise me to gear up my investment?". • It reminded investors to take into account their investment objective, risk appetite, age, financial position when considering financial advice. Investors have the responsibility to look after their own investments. • Investment advisers need to obtain SFC licences and should make recommendations based on investors' personal information, financial position and needs etc. They should also tell investors the reasoning behind. • Investors were also reminded not to sign away their rights. They should ask about the content of the



	Ref. No.	Type	Title	Date	Summary of relevant advice
					document they were asked to sign, and if that is a disclaimer, they should ask what responsibilities the investment adviser was disclaiming.
71.	IA20	Articles – Newspaper	Investment Challenge Kiosk: Engaging Investment advisers 「投資本色」專欄：揀投資顧問 6 點你要問 (in Chinese)	17 Jul 2006	<ul style="list-style-type: none"> Investors should independently assess whether the advice given is suitable for them and ask questions if in doubt.
72.	SP50	Articles - Newspaper	Investment Challenge Kiosk – High returns behind equity-linked instruments 「投資本色」專欄：高息票據未必高息 (in Chinese)	24 Jul 2006	<ul style="list-style-type: none"> Investors of structured products may not be able to redeem their investments early and investors should read the offer documents and understand the product features.
73.	SP96	Radio Programme	Learn more about investing – Do Equity-linked notes provide guaranteed returns? 「學多點投資」第 16 集 - 股票掛鈎票據一定有保證回報嗎? (in Chinese)	24 Aug 2006	<ul style="list-style-type: none"> The radio programme discussed what an ELN is and highlights that ELNs do not provide guaranteed returns. There are many other investment tools, like structured notes/deposits, which also have the same option concept as ELNs. Investors are reminded to read the offering document carefully, know the mechanics of the products and do



	Ref. No.	Type	Title	Date	Summary of relevant advice
					not only rely on the advertisement or the recommendation by intermediaries.
74.	IA33	Radio programmes	Learn More About Investing - Do I need an investment adviser? 「學多點投資」第 19 集 – 我需要投資顧問嗎? (in Chinese)	5 Sep 2006	<ul style="list-style-type: none"> • The interview talked about investment adviser's responsibilities and know-your-client rule. • Investors should read and understand the terms and conditions of the client agreement. They should also provide information to the investment adviser, including their investment experience, age, marital status and risk tolerance level so that the investment adviser can give suitable advice. • Investors should find out the fees, features and associated risks of the investment products before buying them.
75.	IA29	Press release	Investors Want Suitable Product Recommendations 投資者追求合適的產品建議 (bilingual)	20 Sep 2006	<ul style="list-style-type: none"> • The press release highlighted some key findings in SFC's first Survey on Engagement of Investment Advisers. The survey was aimed to understand how investors choose their investment advisers, their experience in dealing with investment advisers, and level of satisfaction with the investment advisers' services and recommendations. • CEO said, <i>"While the SFC expects its licensed investment advisers to always put their clients' interests first, investors should also protect their interests by finding out all they can about a product</i>



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<i>before they commit to it. This echoes our investor education theme of the year – before you invest, ask the right questions.”</i>
76.	SP06	Articles – InvestEd & Press Release	Dr. Wise – Retail Structured Notes – Buyer Beware 慧博士 – 零售結構性票據 - 投資你要知及新聞稿 - 慧博士闡述零售結構性票據 (bilingual)	Nov 2006	<ul style="list-style-type: none"> • The key messages of this articles are: Before placing an order for any retail structured note, an investor should (i) read all offering documents – marketing materials do not have full information; (ii) understand that a note linked to a basket of shares is riskier than one linked to a single share; and (iii) be aware of and prepared for the worst-case scenario. • The article advises investors to not only read the headlines of the marketing leaflets but also read on to better understand the fundamentals, whether the capital is protected and what risks are associated with it. • Dr. Wise tells investors that it is imperative that they do not simply rely on the marketing materials. Detailed information about the issuer and the payout mechanism of the notes are set out in the offering documents. Investors must read these documents thoroughly; in particular the sections regarding (i) how the notes work; (ii) the risk factors; and (iii) and hypothetical examples to ensure that they fully understand the nature of the product and the risks involved.



	Ref. No.	Type	Title	Date	Summary of relevant advice
77.	SP81	Outreach activities - University	Chinese University of Hong Kong - Personal Financial Management: Alternative Investments - ELI and Bonds	24 Nov 2006	<ul style="list-style-type: none"> The workshop discusses the features of bonds and ELIs and their associated risks, including credit risks. It also explains structured products like CLNs, interest rate linked notes/deposits and currency-linked notes/deposits.
78.	SP90	Press release	Investors Lack Understanding of Structured Products 投資者對結構性產品缺乏認識 (bilingual)	28 Nov 2006	<ul style="list-style-type: none"> An SFC survey has found that many investors who purchased unlisted, retail structured products for their perceived higher returns did not fully understand the nature of these products. SFC's Chief Executive commented that it is risky for investors to buy an investment product if they do not fully understand the product.
79.	IA23	Outreach activities - University	Chinese University of Hong Kong – Personal Financial Management: Personal Financial Planning	1 Dec 2006	<ul style="list-style-type: none"> The lecture talks about the basic elements and process of financial planning. Investors should review the portfolio performance and review investment needs regularly. Investors should get to know investment products and plan their portfolio. These products include investment-linked assurance schemes and structured products (e.g. equity/credit/currency/ interest rate-linked).



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<ul style="list-style-type: none"> It also provides advice on choosing an investment adviser, knowing your investment adviser's background and track record.
80.	IA38	TV Programme	Wising up with Experience - Leverage Can Hurt 你我的投資故事 - 意見 接受? (bilingual)	25 Jan 2007	<ul style="list-style-type: none"> Featuring a mis-selling story, one of the episodes in the TV series reminded investors the risks of leveraged investments, the importance of asking questions when considering investment advice, and evaluating whether recommendations suited them. Before taking any investment advice, an investor should ask his/her investment adviser why the specific advice was given, product features or the investing strategy and how it suited the investor. If an investment adviser proposed taking out a loan, find out the risks involved. Investors should demand investment advisers to set out his recommendations in writing, and are advised to read all relevant documents and product information before investing. Investors are also reminded not to sign their rights away, and beware of the risks of leveraging and market risk.
81.	SP84	Outreach activities - University	Lingnan University - Getting Financially	14 Mar 2007	<ul style="list-style-type: none"> The third workshop of the Lingnan University course compared structured notes to plain vanilla bonds and



	Ref. No.	Type	Title	Date	Summary of relevant advice
			Prepared for Your Future: Bonds and Structured Products		talked about tops to evaluate them.
82.	SP57	Articles - Newspaper	Learn Before You Invest – Equity-linked Notes 「先求知 再投資」專欄 – 股票掛鈎票據 (in Chinese)	12 Apr 2007	<ul style="list-style-type: none"> The article reminds investors that the return of their investment on ELNs is affected by the prices of the underlying stock or basket of stocks. If the final price is at or above the strike price, investors will get back the investment amount plus the distribution amount in cash. However, if the final price is below the strike price, investors will receive the underlying stock or its cash equivalent amount, which could be worth less than their original investment.
83.	SP83	Outreach activities - University	Chinese University of Hong Kong - Personal Financial Management: Alternative Investments - ELIs and Bonds	13 Apr 2007	<ul style="list-style-type: none"> The course discusses the features, risks and return of bonds. It also introduces features of options, ELIs and other structured products like CLNs, interest rate-linked notes/deposits and currency linked notes/deposits.
84.	IA25	Outreach activities - University	Chinese University of Hong Kong – Personal Financial Management: Personal Financial Planning	20 Apr 2007	<ul style="list-style-type: none"> The lecture talks about the basic elements and process of financial planning. Investors should review the portfolio performance and their investment needs regularly. Investors should get to know investment products and plan their portfolio. These products include



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>investment-linked assurance schemes and structured products (e.g. equity/credit/currency/interest rate-linked).</p> <ul style="list-style-type: none"> It also mentions the tips on choosing an investment adviser, amongst which are to understand your investment goals, know your investment adviser and understand your investment products.
85.	IA31	Press release	<p>Deficiencies Found in Investment Advisers' Selling Practice</p> <p>證監會發現投資顧問的售賣手法出現缺失 (bilingual)</p>	31 May 2007	<ul style="list-style-type: none"> The "Report on Findings of Second Round of Thematic Inspection of Licensed Investment Advisers" revealed issues and deficiencies including insufficient knowledge of clients, lack of proper due diligence on the products sold and justification to illustrate suitability of advice. To raise the standard of the industry, the SFC issued guidance on 8 May 2007 on requirements relating to the suitability of advice in the Code of Conduct for Persons Licensed by or Registered with the SFC. Mrs Alexa Lam, SFC's Executive Director of Intermediaries and Investment Products reminded investment advisers their important role in helping investors make right investment decisions as the need for wealth management continuously grows and investment products become more complex and diverse. She also reminded that investors should take action to protect their own interests; and in light of market



	Ref. No.	Type	Title	Date	Summary of relevant advice
					volatility, investors should thoroughly understand the risk and return profile of financial products recommended by their investment advisers.
86.	IA34	Radio programmes	Investing 101 - Questions to ask in evaluating investment advisers' recommendations 投資必修科: (5) 投資建議 (in Chinese)	31 May 2007	<ul style="list-style-type: none"> • In the talk show, using a radio drama as an illustration, investors were reminded that they should ask investment advisers about their investment objectives, financial planning and risk tolerance level. • Investors should also tell investment advisers their investment experience, age, marital status and risk tolerance level and types of investments they would prefer. • Investment advisers should make recommendations to their clients based on the above information and remind them of the risks and return expectations.
87.	SP09	Articles - InvestEd	Structured Products – FAQ 結構性產品 - 有問必答 (bilingual)	June 2007	<ul style="list-style-type: none"> • This FAQ briefly explains what CLNs are. • It also explains that the SFC authorises the respective offering documents for unlisted offers of shares or debentures for registration as a prospectus under the Companies Ordinance. • It also warns investors that given the increasing complexity of structured products, it is important that prospective investors should get themselves familiar with the risks, features and the method for determining the potential return of an instrument



	Ref. No.	Type	Title	Date	Summary of relevant advice
					before deciding to invest in it.
88.	SP56	Articles - Newspaper	Learn Before You Invest – Be Prepared for the Worst Scenario 「先求知 再投資」專欄 – 一籃子股票掛鈎票據 (in Chinese)	12 Jul 2007	<ul style="list-style-type: none"> The article reminds investors that when they invest in notes that are linked to a basket of stocks, the notes are not principal-guaranteed. Investors may receive an amount of cash or stocks that are worth much less than the principal invested in the worst scenario. Investors are reminded to check and understand the product documentation and terms and conditions.
89.	SP55	Articles - Newspaper	Learn Before You Invest – Range Accrual Notes 「先求知 再投資」專欄 – 區間累計回報票據 (in Chinese)	26 Jul 2007	<ul style="list-style-type: none"> The article tells investors how the range accrual notes work and reminds investors that they are not guaranteed to get back 100% of their investment principal.
90.	SP98	Radio Programme	Commercial Radio 1 – “Investing 101” – Common fallacies about structured products 投資必修科: 結構性產品的常見謬誤 (in Chinese)	28 Jul 2007	<ul style="list-style-type: none"> Investors are reminded that most ELIs are not capital-protected and may incur losses to them. Investors should pay attention to the terms and risks of ELI and assess whether the product is suitable for them. As ELIs may operate on very unique terms, it is important for investors to fully understand the terms of an ELI to evaluate whether the product suits them.



	Ref. No.	Type	Title	Date	Summary of relevant advice
91.	SP54	Articles - Newspaper	Learn Before You Invest: What are Credit-linked Notes? 「先求知 再投資」專欄 – 何謂信貸掛鈎票據 (in Chinese)	2 Aug 2007	<ul style="list-style-type: none"> • CLNs are common structured products. The payment of interest/principal under the CLNs are subject to the occurrence of “credit events”. • The scope of “credit events” is determined by the issuer but in general “credit events” include bankruptcy and inability to pay. • The return of the CLNs will be reduced by the occurrence of credit events. Some CLNs will be early redeemed upon the occurrence of the first credit event.
92.	SP97	Radio Programme	Investment Triathlon – Equity-linked instruments 投資智叻闖三關 - 香港電台 第一台: 股票掛鈎投資工具 (in Chinese)	22 Dec 2007	<ul style="list-style-type: none"> • Recent years have seen launches of ELIs with a variety of additional specific features, e.g. early call. Investors are therefore reminded to understand carefully the product before investing. • In assessing a product, investors should consider their own needs, including the amount of capital they can put in, their investment horizons, liquidity needs and risk appetites as well as the terms of the product before making any investment decision.
93.	SP19	Articles – InvestEd	Structured Products – About Structured Products – Overview 結構性產品 - 概覽 (bilingual)	Mar 2008	<ul style="list-style-type: none"> • Structured products are only suitable for those who are able to understand their complicated structures. Investors should fully understand the features and risks of a structured product before deciding to invest. • CLNs are briefly explained.



	Ref. No.	Type	Title	Date	Summary of relevant advice
94.	SP20	Articles – InvestEd	Structured Products – About Structured Products – Things to know before investing 結構性產品 - 投資前需知 (bilingual)	Mar 2008	<ul style="list-style-type: none"> • Structured products have complex features. It is therefore very important for investors to find out the specific terms and risks of the products from their offering documents and consider whether a particular product is suitable for them in light of their own investment objectives, risk tolerance level and financial position before deciding to invest. • Structured products are generally not capital protected. • Investors should choose a structured product that is suitable for their circumstances and form their own views on the underlying asset, understand the features and risks of different structured products, note the fees and charges involved and choose a structured product that matches their view on the underlying asset, time horizon and risk tolerance level.
95.	SP21	Articles – InvestEd	Structured Products – About Structured Products - Special Feature: Daily accrual 結構性產品 - 特點: 逐日計 息 (bilingual)	Mar 2008	<ul style="list-style-type: none"> • The article discusses daily accrual feature of ELIs which allows investors to capture daily price movements of the reference stock. However, the distribution amount payable for a bull ELI with a daily accrual feature will be determined with reference to the number of exchange business days on which the closing price of the reference stock is at or above the distribution reference price during an observation period. An observation period may consist of more



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>than one distribution period.</p> <ul style="list-style-type: none"> • Whilst this additional feature in ELIs made them appear more attractive, these ELIs are usually complex to understand and may affect the return of the ELIs in different ways. • Investors should seek professional advice if they are not sure whether the special feature is suitable for them.
96.	SP22	Articles – InvestEd	Structured Products – About Structured Products - Special Feature: Early call 結構性產品 – 特點: 提早贖回 (bilingual)	Mar 2008	<ul style="list-style-type: none"> • The article discusses early call feature of ELIs. A bull ELI with an early call feature will be terminated early at the face value, if the closing price of the reference stock on a call date is at or above its call strike price. Investors will receive a distribution amount payable up to and including the relevant call date on the early termination date. There may be more than one call date for such an ELI. There may also be different call strike prices for different call dates.
97.	SP23	Articles – InvestEd	Structured Products – About Structured Products - Special Feature: Once-for-all 結構性產品 - 特點: 一日全收息 (bilingual)	Mar 2008	<ul style="list-style-type: none"> • The article discusses once-for-all feature of ELIs. For a bull ELI with a once-for-all feature and several distribution periods, if the closing price of the reference stock on any exchange business day during a distribution period is at or above its distribution reference price, the distribution amount will be payable for the entire distribution period on the relevant distribution payment date based on a predetermined distribution rate.



	Ref. No.	Type	Title	Date	Summary of relevant advice
98.	SP24	Articles – InvestEd	Structured Products – About Structured Products -Special Feature: Knock-out 結構性產品 - 特點: 觸及失效 (bilingual)	Mar 2008	<ul style="list-style-type: none"> The article discusses knock-out feature of ELIs which allows investors to lock in the final settlement amount at the face value of an ELI before expiry, regardless of the performance of the reference stock subsequent to the occurrence of a knock-out event. A knock-out event occurs if the closing price of the reference stock of a bull ELI is at or above the knock-out strike price on any exchange business day during the observation period.
99.	SP25	Articles – InvestEd	Structured Products – About Structured Products -Special Feature: Airbag 結構性產品 - 特點: 氣墊機制 (bilingual)	Mar 2008	<ul style="list-style-type: none"> The article explains how ELI with airbag feature works, including an illustration of the payoff mechanism.
100.	SP26	Articles – InvestEd	Structured Products – About Structured Products -Special Feature: Knock-out Discount Accumulator 結構性產品 - 特點: 取消折讓累積 (bilingual)	Mar 2008	<ul style="list-style-type: none"> The article explains the features of knock-out discount accumulator ELI and the associated risks, such as risks in relation to the decline of price of the underlying asset. Investors are reminded to find out the specific terms and risks from the offer document of an ELI and take into account their own financial position, risk tolerance level, investment experience and objectives before making the investment decisions.
101.	SP86	Outreach activities -	Lingnan University -	5 Mar 2008	<ul style="list-style-type: none"> The talk covers features of bonds and structured



	Ref. No.	Type	Title	Date	Summary of relevant advice
		University	Getting Financially Prepared for Your Future: Bonds and Structured Products		products such as ELN and CLN, credit risks of structured products and market volatility.
102.	SP70	Leaflet	Equity-linked Instruments 股票掛鉤投資工具 (bilingual)	18 Mar 2008	<ul style="list-style-type: none"> • ELIs linked to a basket of stocks – if the final price of any underlying stock drops below its strike price, investors will receive the worst-performing stock which could be worth less than the investor's original investment. Be prepared for such an adverse outcome. • Most ELIs are not principal-protected. They are not low risk products. Investors may suffer a capital loss if the underlying asset price goes against their view. • Investors should fund out the specific terms and risks of an ELI from its offer document and consider whether it is suitable.
103.	IA26	Outreach activities - University	Lingnan University - Getting Financially Prepared for Your Future: Visits to Financial Institutions	19 Mar 2008	<ul style="list-style-type: none"> • Students of the course were arranged to visit an investment advisory firm to learn more about the work of a financial planner and things to note for investors in engaging investment advisers.
104.	SP12	Articles – InvestEd & Press release	Dr. Wise – Structured Products: understand first, then invest 結構性產品：先了解，後投	Apr 2008	<ul style="list-style-type: none"> • The key messages of this article are: many structured products are not low-risk and have complex features. Before investing in a structured product, investors should: (i) find out the specific terms and risks from



	Ref. No.	Type	Title	Date	Summary of relevant advice
			資 (bilingual)		<p>the offering documents; (ii) fully understand the risk-return profile as they may suffer a capital loss if the price of the underlying asset moves against them; and (iii) ask the right questions to ensure they understand the product and can decide whether or not it is suitable for them.</p> <ul style="list-style-type: none"> • <i>"If you don't understand – don't invest."</i> • Investors should make sure they look at the worst case scenario given in the offering document. • Most structured products are not capital protected. • Investors should take the initiative to ask questions to safeguard their interests. They must make sure that they fully understand the investment they are going to make. The more questions they ask, the more likely it is that they will be able to determine whether or not it is suitable for them. • Investors are reminded that they will need to take responsibility for their own decisions when the market moves against them and so it is really important that they consider all factors before investing.
105.	SP17	Articles - InvestEd	Monthly Focus – Equity-linked instruments are not low risk products 股票掛鉤投資工具並非低風	Apr 2008	<ul style="list-style-type: none"> • The article points out that with banks' saving deposit rates dropping to nearly zero, many investors are dabbling in ELIs – a form of "alternative investments", in a bid to gain higher return amidst market volatility



	Ref. No.	Type	Title	Date	Summary of relevant advice
			險的產品 (bilingual)		<p>worldwide.</p> <ul style="list-style-type: none"> • ELIs are not capital protected and they are not low risk products. • Investors should seek professional advice if they are not sure whether the additional special features (e.g. airbag, knock-out, daily accrual etc) are suitable for them.
106.	SP69	Articles - Newspaper	<p>Learn Before You Invest - What are Equity-linked Instruments?</p> <p>「先求知 再投資」專欄 – 什麼是股票掛鉤投資工具 (in Chinese)</p>	10 Apr 2008	<ul style="list-style-type: none"> • The article explains how ELIs work and reminds investors that ELIs are not principal protected.
107.	SP68	Articles - Newspaper	<p>Learn Before You Invest - Equity-linked Instruments Linked to a Basket of Stocks</p> <p>「先求知 再投資」專欄 – 與一籃子股票掛鉤的 ELI (in Chinese)</p>	17 Apr 2008	<ul style="list-style-type: none"> • The article explains the risks and return of an ELI linked to a basket of stocks.
108.	SP67	Articles - Newspaper	<p>Learn Before You Invest - Risks of Equity-linked Instruments</p> <p>「先求知 再投資」專欄 –</p>	24 Apr 2008	<ul style="list-style-type: none"> • ELIs are not the same as bank deposits and involve risks. Before investing, investors should read the offer documents, understand the terms and risks and assess whether ELIs are suitable for them.



	Ref. No.	Type	Title	Date	Summary of relevant advice
			股票掛鉤投資工具的風險 (in Chinese)		
109.	SP66	Articles - InvestEd	Monthly Focus - Structured Products: Understand First, Then Invest 結構性產品：先了解，後投資 (bilingual)	2 May 2008	<ul style="list-style-type: none"> Investors should consider whether or not a particular structured product is suitable for them after taking into account their own personal circumstances. Most structured products are not capital protected and in the worse case investors will lose their entire investment. It is important for the investors to ask questions to safeguard their interests.
110.	SP65	Articles - Newspaper	Learn Before You Invest - Are Structured Products Suitable For You? 「先求知 再投資」專欄 – 結構性產品是否適合你 (in Chinese)	8 May 2008	<ul style="list-style-type: none"> Investors should understand the product features and risks (especially the worst case scenario) before investing in structured products.
111.	SP64	Articles - Magazine	Understanding ELI - Basic Features of ELI 「解構 ELI」專欄 – ELI 可觀回報有「代價」 (in Chinese)	11 May 2008	<ul style="list-style-type: none"> ELIs are complicated products which are only suitable for those who understand how they work. Investors should understand the features and risks before investing and consider whether such products are suitable for them.



	Ref. No.	Type	Title	Date	Summary of relevant advice
112.	SP63	Articles - Newspaper	Learn Before You Invest - Questioning Advice on Structured Products 「先求知 再投資」專欄 – 投資結構性產品前要問清楚 (in Chinese)	15 May 2008	<ul style="list-style-type: none"> Investors should fully understand the details of their investments and their investment advisers are obliged to explain the terms and risks. Investors should also ask their advisers the reason why the product is suitable for them.
113.	SP62	Articles - Magazine	Understanding ELI - Risks of ELI 「解構 ELI」專欄 – 全面剖析 ELI 風險 (in Chinese)	18 May 2008	<ul style="list-style-type: none"> Investors should understand the terms and risks before investing and should review their own investment objectives, risk tolerance and financial situation when assessing whether ELIs are suitable for them. Investors should also bear in mind the issuer's credit risk because the obligations under the ELIs are borne by the issuer rather than the underlying corporations. Investors should note that there may be no secondary market for the ELIs.
114.	SP61	Articles - Newspaper	Learn Before You Invest - Ask Questions on Structured Products 「先求知 再投資」專欄 – 結構性產品-- 問清問楚才投資 (in Chinese)	22 May 2008	<ul style="list-style-type: none"> Investment in structured products involves risk and investors should ensure that they understand the features of the products. Investors should also be alert to the contents of the disclaimers and declarations.
115.	SP60	Articles - Magazine	Understanding ELI -	25 May 2008	<ul style="list-style-type: none"> Investment in ELIs involves risks, including market



	Ref. No.	Type	Title	Date	Summary of relevant advice
			Reading Offer Documents of ELI 「解構 ELI」專欄 – 解讀 ELI 銷售文件錦囊 (in Chinese)		<p>risk, liquidity risk and the risk that the issuer is unable to fulfil its obligations under the ELIs.</p> <ul style="list-style-type: none"> Investors should read the offer documents and understand the product features. Investors should also check the financials of the issuer.
116.	SP59	Articles - Magazine	Understanding ELI - Special Features: Daily Accrual and Early Call 「解構 ELI」專欄 – 投資前先了解兩大特點，評估 ELI 是否「啱 key」 (in Chinese)	1 Jun 2008	<ul style="list-style-type: none"> The article introduces some special features of ELI, such as daily accrual and early call. Two examples are included for illustration.
117.	SP58	Articles - Magazine	Understanding ELI - Special Feature: Airbag 「解構 ELI」專欄 - ELI 附「氣墊」仍有機會接貨 (in Chinese)	8 Jun 2008	<ul style="list-style-type: none"> Investors should read the terms and conditions of ELIs (especially the small prints) to understand the product feature and risks. Investors should seek clarification from the sales personnel if in doubt. Investors should consider the risks involved and ensure that they are able to tolerate such risks. Investors should also be alert to the contents of disclaimers and declarations.
118.	IA47	Video	Investor Education Video on Public Buses - Advice No. 15	Aug - Dec 2008	<ul style="list-style-type: none"> Investors should ask investment advisers the right questions to ensure the advice suits their investment



	Ref. No.	Type	Title	Date	Summary of relevant advice
			證監會提提你 #15 (in Chinese)		objectives.
119.	SP71	Video	Investor Education Video on Public Buses – Advice No. 16 證監會提提你 #16 (in Chinese)	Aug - Dec 2008	<ul style="list-style-type: none"> • Most ELIs are not capital protected. If the market goes against an investor, he/she may suffer a capital loss, while the potential upside is normally capped at a predetermined level.
120.	SP72	Video	Investor Education Video on Public Buses – Advice No. 17 證監會提提你 #17 (in Chinese)	Aug - Dec 2008	<ul style="list-style-type: none"> • Not all ELIs are authorised by the SFC. For those SFC-authorised products, their terms and risks are set out in their offering documents.
121.	SP11	Articles – InvestEd & Press release	Dr. Wise - Dr. Wise alerts investors to high market volatility and unpredictability 慧博士提醒投資者市場極為 波動且難以預測 (bilingual)	Sep 2008	<ul style="list-style-type: none"> • The key messages of this article are: the markets are likely to remain highly volatile and not all the investment risks are predictable. This in itself increases the risk to an investor. Investors should exercise extreme caution and consider their own circumstances and risk tolerance level before making any investments in such environment. • Investors are warned that the markets are likely to remain highly volatile and unpredictable and investors should ask themselves if they really want to take the risk of high market volatility. • Investors are warned that they can be exposed to the risks not just of underlying assets but also risks arising from the performance and financial conditions



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>of all related entities (e.g. the issuer, guarantor and other counterparties) and the knock-on effect of the failure of any single entity on its counterparts and on the investors can be very significant.</p> <ul style="list-style-type: none"> • It is very important that investors ensure that any product they buy is fully explained to them by the individual selling them the product and that they understand those risks. • Investors are reminded that not all investment risks are predictable and this in itself increases the risks to the investors.
122.	SP10	Articles – InvestEd & Press release	<p>Dr. Wise – Understanding the risk and return of your investments</p> <p>深入了解你的投資風險與回報</p> <p>(bilingual)</p>	Oct 2008	<ul style="list-style-type: none"> • The key messages of this article are: (i) high risk does not guarantee high returns; (ii) think of risk and return as relative, not absolute; (iii) product type does not absolutely define risk level; (iv) risks can change over time – monitor your investments and make changes where necessary; and (v) if you don't understand don't invest. • CLNs are briefly explained and investors are warned that they can involve complex swap arrangements. Investors have a right to have the features of a product explained to them before investing and they should ensure that they understand the risks they are exposed to by these types of arrangements. • How the recent market downturn may affect investors' investment portfolio is discussed and investors are



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>advised that if the risk reaches a level that they cannot accept, they need to consider whether or not they can make changes to their portfolio.</p> <ul style="list-style-type: none"> • <i>"To invest, you have to do some homework and ensure that you fully understand the targeted investment as well as your own risk profile.... The more questions you ask, the more likely you will be able to determine whether the investment is suitable for you. If you do not have a full answer to any of the above [basic questions], then that investment is not right for you."</i>
123.	SP14	Articles – InvestEd	Monthly Focus – Important notes on credit-linked notes 信貸掛鉤票據的風險說明 (bilingual)	Oct 2008	<ul style="list-style-type: none"> • Investors are reminded that CLN may offer investors high return but along with the returns may come high risks. • Basic features of CLNs are explained. • Investors are reminded that they are exposed to the credit risks of the underlying assets as well as the risks arising from the performance and financial conditions of the relevant entities. • Investors are reminded that before making an investment decision, they should read the prospectuses carefully to make sure they understand their rights.
124.	SP15	Articles – InvestEd	Monthly Focus – Risk	Oct 2008	<ul style="list-style-type: none"> • Investors are reminded that it is important for them to



	Ref. No.	Type	Title	Date	Summary of relevant advice
			profile of equity-linked notes 股票掛鈎票據的風險 (bilingual)		<p>identify all entities involved in an ELN and know their financial conditions and performance. If one of the entities encounters financial difficulties, one's investment would be at risk.</p> <ul style="list-style-type: none"> Investors should make sure they understand the features fully before investing. In particular, they should look into the formula used to determine the return on the investment as mentioned in the offer document.
125.	SP93	Press release	SFC provides information on structured products 證監會就結構性產品提供資料 (bilingual)	14 Oct 2008	<ul style="list-style-type: none"> Each type of structured products will have a different risk and return profile. Investors should ensure that they understand a product before making an investment decision. If more information is required, investors are encouraged to discuss with their intermediary.
126.	SP92	Press release	SFC urges structured notes holders to seek updated information 證監會呼籲結構性票據持有人查詢最新資料 (bilingual)	22 Oct 2008	<ul style="list-style-type: none"> The press release urges investors to be as up to date as possible about the factors that could impact their investments and the options open to them, as investigations into widespread allegations of mis-selling of certain structured notes (including minibonds) continue. Investors of structured notes need to understand what impact this may have had on the underlying value of their specific investment.



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<ul style="list-style-type: none"> Investors are urged to seek information from distributors regarding the changed risks of their investment following recent events.
127.	SP18	Articles – InvestEd	Structured Products – About Structured Products – Unlisted Retail Structured Products List 非上市零售結構性產品一覽 表 (bilingual)	28 Oct 2008	<ul style="list-style-type: none"> The summary of unlisted retail structured notes was published on InvestEd website.
128.	SP100	Radio Programme	Metro Finance Channel – Risk and return expectations – 「慧博士」的投資智慧 – 證 監會投資者教育訪問專輯 (in Chinese)	Nov 2008	<ul style="list-style-type: none"> Investors are cautioned against the popular presumption that “high risk brings high returns”. Despite taking high risk, it does not guarantee high returns. As investment performance hinges on an array of factors, investors may suffer serious losses even if things go their way. It is therefore vital for investors to figure out how much they can afford to lose to evaluate whether a product suits them. In choosing an investment product, bear in mind that risks change under different market conditions. Investors should ask themselves basic questions like “How does the product work?”; “Do I fully understand it?”; “What are the risks associated with the product?”;



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>"Can I cope with the worst case scenario, eg, losing the entire principal?" and "Do I fully understand the documents I am being asked to sign?"</p> <ul style="list-style-type: none"> • Investors may approach their investment advisers or brokers/banks recommending the products to them with more questions to ensure they know their rights. • Investment advisers should explain clearly to an investor the characteristics and risks of the recommended product, and most importantly, the fees and charges and why the product is suitable for that investor. • Investors are cautioned against signing any agreement, disclaimer or risk assessment document if they do not understand the contents.
129.	SP85	Outreach activities - University	Chinese University of Hong Kong - Personal Financial Management: CLN and ILAS	14 Nov 2008	<ul style="list-style-type: none"> • The lecture introduces the characteristics of ILAS. It also introduces structured products including CLNs, interest rate linked notes and currency linked notes. • It introduces the factors affecting the payment of interest and principal: CLNs – credit events; interest rate linked notes – linked interest rate e.g. HIBOR/LIBOR; currency linked notes – exchange rate of a currency against another currency. Examples were given for illustration. • It also talks about the golden rules of investing e.g.



	Ref. No.	Type	Title	Date	Summary of relevant advice
					get the facts by reading term sheets, offering documents and know the risks, etc.
130.	IA35	Radio programmes	Dr Wise education tips on Metro Finance 「慧博士」的投資智慧 — 證監會投資者教育訪問專輯 (in Chinese)	20 Nov 2008	<ul style="list-style-type: none"> • One of the topics in the interview programme are to discuss the responsibilities of intermediaries and whether the investment adviser has any conflict of interest when he/she recommends investment products to their clients. • Investment advisers should also assess the client's risk tolerance level and compare with the risks of products recommended. • Investors should do their homework and understand the features and associated risks of the products before buying them.
131.	SP80	Outreach activities - University	Chinese University of Hong Kong - Personal Financial Management: Alternative Investments – ELIs and Accumulator	21 Nov 2008	<ul style="list-style-type: none"> • The lecture talks about the features of ELIs, including the definition, different nomenclature, bull or bear type, underlying assets, strike price, valuation date and settlement methods. Examples were provided for illustration. • It also includes the factors to consider in investing in ELIs, e.g. volatility of the underlying assets, ELI type (bull or bear), strike, maturity, annualised yield, payoff calculation and counter-party risks.



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<ul style="list-style-type: none"> • Things to note before investing in ELIs were yield enhancement, unlimited risk, be prepared to take the underlying stock and whether the capital was preserved. • The lecture also talks about features of accumulator and illustrated with examples, considerations before investing in accumulator were also included. • It also talks about the golden rules of investing e.g. get the facts by reading term sheets, offering documents and know the risks, etc.
132.	IA39	TV Programme	nowTV programmes – interviews: IFPHK Steve Chiu - Financial planning “理財有方之證監會投資者教育系列”-- 理財策劃 (in Chinese)	26 Nov 2008	<ul style="list-style-type: none"> • In one of the interviews, the importance of financial planning was discussed. It also advised investors areas to consider when seeking investment advice and set out key questions to ask, e.g. the investment adviser's experience, qualifications, services, fees and charges, remuneration, disciplinary records. • Investors were reminded to ask investment advisers to set out their recommendations in writing. • Investors should take into consideration their investment objectives, investment horizons, risk tolerance levels and expected returns. They should also find out the features of different products. Taking high risks do not guarantee high returns.



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<ul style="list-style-type: none"> Investors should also update their investment advisers at least on a yearly basis their status and whenever there are changes that would affect their investment needs.
133.	IA27	Outreach activities - University	Chinese University of Hong Kong - Personal Financial Management: Personal Financial Planning	28 Nov 2008	<ul style="list-style-type: none"> The course discusses about reviewing and safeguarding financial portfolio; steps for financial planning; and understanding financial products including derivatives; and other investment options, e.g. Investment-linked assurance schemes (ILAS) and structured products. Asset allocation and diversification, choosing investment advisers with care and ask questions before making any decisions were also explained.
134.	IA40	TV Programme	nowTV programmes – interviews: HKIFA Eleanor Wan - Funds investment and protection “理財有方之證監會投資者教育系列”- 如何選擇基金 (in Chinese)	03 Dec 2008	<ul style="list-style-type: none"> In an interview of the programme, investors are reminded that investment advisers must make sure that their clients understand the features and risks of the recommended product.
135.	SP99	Radio Programme	Second Investment Triathlon – Equity-linked instruments 投資智叻闖三關 2008-09 - 香港電台第一台: 股票掛鉤	27 Dec 2008	<ul style="list-style-type: none"> ELIs are definitely not bank time deposits. As the term itself suggests, the product is linked with equities, meaning that its return is subject to the performance of the underlying stock.



	Ref. No.	Type	Title	Date	Summary of relevant advice
			工具 (in Chinese)		<ul style="list-style-type: none"> Before investing in an ELI, investors should ask questions and understand how the product is structured and works, what factors will affect its return. Check out the maximum loss he/she will be exposed to in the worst case scenario and consider whether he/she can afford the risks. Investors are also warned that they may not necessarily receive any interest payout.
136.	IA21	TV Programme	Investment Triathlon – Finale 投資智叻闖三關終極爭霸戰 (in Chinese)	18 Jan 2009	<ul style="list-style-type: none"> The video discusses that investors should let their investment adviser assess their risk profile and investment objectives to ascertain if the recommended investment products are suitable for them.
137.	IA44	Articles – Newspaper	Learn Before You Invest - Responsibilities of Intermediaries 「先求知 再投資」專欄 - 中介人的責任 (in Chinese)	26 Feb 2009	<ul style="list-style-type: none"> The article reminds investors that licensed intermediaries should understand their clients' background, investment objectives, investment experience and risk acceptance level before proposing suitable investment products to them. Intermediaries should also explain clearly the product features to their clients. Investors should also check what kind of liabilities of the intermediary will be exempted if they sign a disclaimer.
138.	IA45	TV Programme	"Education tips for investment" – Investment consultants (1)	26 Feb 2009	<ul style="list-style-type: none"> The programme explains the responsibilities of investment advisers and investors. Investment



	Ref. No.	Type	Title	Date	Summary of relevant advice
			高清翡翠台：投資方程式 – 投資顧問 (1) (in Chinese)		advisers should provide appropriate advice on product features and consider risk levels of products for clients.
139.	IA46	TV Programme	"Education tips for investment" – Investment consultants (2) 高清翡翠台：投資方程式 – 投資顧問 (2) (in Chinese)	27 Feb 2009	<ul style="list-style-type: none"> The programme explains that investors should fully understand the content of the client agreement and disclaimer before signing them.
140.	SP105	Articles – InvestEd	Monthly Focus – Are you a smart investor? 每月焦點：你是否精明投資者？ (bilingual)	2 Mar 2009	<ul style="list-style-type: none"> The article highlights the responsibilities of investment advisers and investors through a checklist of questions. These include whether the investment adviser is licensed, whether he/she is independent of the product issuer, and why he/she thinks the recommended product is suitable for the investor. For investors, they should know the products and their rights, for example, whether they understand the terms and conditions of the client agreement and the disclaimers.
141.	IA48	TV Programme	"Ask Before You Invest": Using investment advisory	12 Mar 2009	<ul style="list-style-type: none"> The interview programme explains the regulatory regime and licensing issues of investment advisers,



	Ref. No.	Type	Title	Date	Summary of relevant advice
			service 投資講學問：選用投資顧問 須知 (in Chinese)		types of investment advisers, issues to be addressed before signing a disclaimer and investment adviser's responsibilities to advise on product features.
142.	SP108	Articles – InvestEd	Products – Structured Products – Revised FAQs and FAQs about Collateralised Debt Obligation (CDO) 結構性產品 – 修訂有問必答及新增有關抵押債務證券的常見問題 (bilingual)	13 Mar 2009	<ul style="list-style-type: none"> The question on how structured products are regulated is revised. Two more frequently asked questions are added to the FAQs on structured products, explaining the requirements on the underlying collateral if a structured note is secured on collateral, and the requirements on the issuer of a non-collateralised structured note. For the FAQs about CDOs, it explains what the CDOs and synthetic CDOs are, and their main risks such as credit risks. The article also introduces credit default swaps (CDS).
143.	SP109	TV Programme	Game Show – “SFC special: Outsmart”: Risks and return of credit linked notes and credit linked deposits 遊戲節目 – 證監會特約：財智達人 - 低風險投資 (in Chinese)	17 Mar 2009	<ul style="list-style-type: none"> One of the case studies of the show explains that investment deposit scheme cannot be taken as low risk investment. Investment deposits and fixed deposits /savings accounts are different in nature and risk profile. For example, equity-linked or foreign currency-linked deposit schemes are just another form of structured products. So investors have to understand and evaluate carefully the risks and pay off mechanisms of these products.



	Ref. No.	Type	Title	Date	Summary of relevant advice
144.	IA49	Outreach activities - Seminar	Salvation Army talk – Investors' Rights and Responsibilities	19 Mar 2009	<ul style="list-style-type: none"> • This seminar explains the regulatory regimes for the three groups of intermediaries providing financial advisory services, including the SFC-licensed investment advisers. It reminds investors to set investment goals, know their investment advisers' background and credibility, provide information to advisers to let them understand their needs, ask for written investment recommendations, in particular, an explanation of how the recommended products are suitable for them, and know the product features and risks. • Participants are advised not to sign any documents unless they understand their contents. Also, it is important to monitor their investment portfolios.
145.	SP110	Outreach activities - University	Chinese University of Hong Kong -- Personal Financial Management: ILAS and Structured Products	27 Mar 2009	<ul style="list-style-type: none"> • The lecture covers credit linked notes (CLNs), interest rate-linked notes/deposits, and currency-linked notes/deposits.
146.	IA50	Articles – InvestEd & Press Release	Dr Wise -- Are all SFC-authorized products suitable for everyone? 證監會認可的產品適合所有人投資嗎? (bilingual)	31 Mar 2009	<ul style="list-style-type: none"> • SFC authorisation involves the review of product documentation and in some cases the structural features of a product to see if applicable requirements are met and the required information is disclosed. It is not a recommendation or endorsement of a product; nor does it guarantee the commercial merits of a



	Ref. No.	Type	Title	Date	Summary of relevant advice
					<p>product or its performance.</p> <ul style="list-style-type: none">• SFC authorisation does not mean the product is suitable for you or any particular investor. When the sales representative of an intermediary makes a recommendation at the point of sale, he/she should explain the nature and the extent of risks the product bears and why the product is suitable for the client. Investors should not take investment recommendations at face value.