



**AIA GLOBAL BALANCED FUND  
(the “ILP Sub-Fund”)**

**FUND FACTS**

Manager of ILP Sub-Fund	AIA Investment Management Private Limited			
Underlying Funds	Nikko AM Global Umbrella Fund - Nikko AM Global Equity Fund	Natixis International Funds (LUX) I - Harris Associates Global Equity Fund	Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust)	AIA Investment Funds – AIA Singapore Bond Fund
Country of Domicile of Underlying Funds	Luxembourg	Luxembourg	Singapore	Luxembourg
Investment Manager of Underlying Funds	Nikko Asset Management Europe Ltd.	Harris Associates L.P	Templeton Asset Management Ltd	AIA Investment Management Private Limited
Inception Date	11 December 2000			
Annual Management Fee <sup>1</sup> (p.a.)	1.50% (max 3.00%) of its Net Asset Value			
Source of Fund	Cash, SRS, CPFIS OA & CPFIS SA			
CPFIS Risk Classification	Medium to High Risk – Broadly Diversified			

<sup>1</sup>The Annual Management Fee is payable through deduction from asset value of the ILP Sub-Fund.

The ILP Sub-Fund is a single fund. The units in the ILP Sub-Fund are not classified as Excluded Investment Products.

The auditor of the accounts for the ILP Sub-Fund is PricewaterhouseCoopers LLP whose registered office is at 7 Straits View, Marina One, Singapore 018936.

**PAST PERFORMANCE (as at 31 December 2023)**

<b>Annualized Returns</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>Since Inception</b>
AIA Global Balanced Fund	8.96%	0.27%	4.44%	4.20%	2.87%
Benchmark <sup>*^</sup> : 60% MSCI World Index & 15% FTSE World Government Bond Index ex Japan (hedged to S\$) & 25% Markit iBoxx SGD TR	13.62%	2.33%	6.67%	5.11%	3.24%

Source: AIA Singapore

\* The combined benchmark is reflective of the investment focus of the ILP Sub-Fund.

^ Previous Benchmark

From inception to 30 November 2021 - 60% MSCI World Index & 40% FTSE World Govt Bond Index

**Notes:**

1. Performance of the ILP Sub-Fund is calculated in SGD on a bid-to-bid basis with any income or dividends reinvested, but excluding such fees and/or charges which may be payable through deduction of premium or cancellation of units.
2. Past performance of an ILP Sub-Fund is not necessarily indicative of its future performance.
3. Disclaimer with regard to MSCI Benchmark:

The blended returns are calculated by AIA Investment Management Private Limited using end of day index level values licensed from MSCI (“MSCI Data”). For the avoidance of doubt, MSCI is not the benchmark “administrator” for, or a “contributor”, “submitter” or “supervised contributor” to, the blended returns, and the MSCI Data is not considered a “contribution” or “submission” in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided “AS IS” without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.

#### 4. Disclaimer with regard to Markit Benchmark:

The index referenced herein (the "Index") is the proprietary property of Markit North America, Inc., Markit Indices GmbH and/or its affiliates ("Index Provider") and has been licensed for use in connection with the fund (or other investment vehicle) or securities referenced herein ("Fund").

Each party acknowledges and agrees that the Fund is not sponsored, endorsed or promoted by the Index Provider. The Index Provider makes no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Provider shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Provider is under no obligation to advise the parties or any person of any error therein.

The Index Provider makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling Fund, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Provider has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling the Fund nor the Index Provider, shall have any liability to any party for any act or failure to act by the Index Provider in connection with the determination, adjustment, calculation or maintenance of the Index. The Index Provider and its affiliates may deal in any obligations that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the issuers of such obligations or their affiliates, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or Fund.

#### INVESTMENT OBJECTIVE OF ILP SUB-FUND

This Sub-Fund seeks to achieve long-term capital appreciation through investment in equities, equity-related securities and fixed income securities in global markets.

#### INVESTMENT APPROACH OF ILP SUB-FUND

The allocation to equities and bonds is based on a top-down analysis of major investment trends and macro variables. Our analysis focuses on how equity and bond prices react to economic fundamentals, relative value of equities versus bonds and other market factors, such as central bank decisions and geopolitical events. In addition, our established and dominant presence in Singapore and the region gives an in-depth knowledge and understanding of the domestic macro-economics, allowing us to make more informed asset allocation decisions.

The general asset mix of the Sub-Fund is

- 30% into Nikko AM Global Umbrella Fund - Nikko AM Global Equity Fund
- 30% into Natixis International Funds (LUX) I - Harris Associates Global Equity Fund
- 15% into Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust)
- 25% into AIA Investment Funds – AIA Singapore Bond Fund

However, the asset mix may vary depending on market conditions.

#### INVESTMENT APPROACH OF UNDERLYING FUNDS

##### **Nikko AM Global Umbrella Fund - Nikko AM Global Equity Fund**

The investment objective of the fund is to achieve long-term capital growth.

The fund will seek to achieve its investment objective primarily through investment in equity securities listed and traded on the stock exchanges in countries included in the developed and emerging markets as defined by MSCI. The Investment Manager, Nikko Asset Management Europe Ltd. ("NAM Europe"), will select companies through a process of thorough research undertaken by its investment team. This research is primarily at the individual company level, but the team also undertakes some research that is more top-down in nature. The fund will consist of holdings that are the best ideas generated by the Investment Manager through this research process.

Under normal market conditions, the fund will invest at least 80% of its total net assets in equity securities; provided that this shall not apply during the time of the portfolio construction, or in the case where large subscription or redemption requests are received, termination of the fund and in other extraordinary circumstances. The fund will in principle be invested across a broad range of countries, industries and market sectors, including investments in issuers located in the emerging countries. Equity securities held by the fund may include common stocks, preferred stocks, convertible bonds, warrants, depositary receipts, real estate investment trusts ("REITs") and ETFs.

The fund promotes certain environmental and social characteristics within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR"). The Fund does not currently commit to make investments in Taxonomy Regulation aligned environmentally sustainable activities contributing to climate change mitigation and/or climate change adaptation. It is however not excluded that the fund may invest in underlying investments that contribute to climate change mitigation and/or climate change adaptation. The fund will not invest in "tobacco" securities as defined by Global Industry Classification Standards ("GICS") or in companies exposed to controversial weapons.

The F (SGD) Class of the fund is included under the CPFIS – Ordinary Account and is classified under the Higher Risk – Broadly Diversified category by the CPF Board.

Please refer to Nikko AM Prospectus for further information on the investment policy / approach of the Underlying Fund.

### **Natixis International Funds (LUX) I - Harris Associates Global Equity Fund**

The investment objective of the Fund is long term growth of capital. The Fund invests primarily in equity securities of companies around the world.

The Fund invests at least two-thirds of its total assets in equity securities worldwide. The Fund's equity investments may include common stocks, equity-related instruments on an ancillary basis such as warrants, equity-linked notes and convertible bonds whose value is derived from the value of any of those equity securities and depositary receipts for any of those equity investments.

The Fund may invest up to one-third of its total assets in cash, cash equivalents or other types of securities than those described above. The Fund may invest up to 10% of its net assets in undertakings for collective investment.

The Fund is actively managed. In choosing equity securities, the Fund uses fundamental analysis to select stocks, focusing on stocks that the Investment Manager believes are trading in the market at significant discounts to their underlying value.

For indicative purposes only, the Fund's performance may be compared to Morgan Stanley Capital International World ("MSCI World") Index. The Fund is unconstrained by the reference index and may therefore significantly deviate from it.

Please refer to Natixis International Funds (LUX) I Prospectus for further information on the investment policy / approach of the Underlying Fund.

### **Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust)**

The investment objective of the fund is to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand. The fund aims to outperform the FTSE World Government Bond Index ex Japan (hedged to Singapore Dollar). The fund is actively managed.

The Investment Managers' investment policy will be to pursue an active but prudent approach which employs fundamental economic and market analysis to take maximum advantage of short and medium to long term investment opportunities in interest rate and currency trends of the global bond markets.

It is intended that the fund achieves its investment objective by investing primarily in the following types of debt securities:

- (i) Fixed and floating rate government and corporate bonds plus convertible bonds, commercial papers, bankers acceptances, bills of exchange, certificates of deposits, promissory notes, bank bills and treasury bills issued by governments, government linked companies and corporations in (a) Singapore; (b) countries as defined by the FTSE World Government Bond Index ex Japan (currently these countries include USA, Germany, France, UK, Canada, Italy, the Netherlands, Denmark, Finland, Spain, Ireland, Austria, Australia, Sweden, Norway, Belgium, Mexico, Poland, Singapore, China, Israel, New Zealand and Malaysia); or (c) in countries that are rated with a minimum of investment grade credit rating of Aa2 by Moody's, AA by Standard & Poor's ("S&P"), AA by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency.

Since 3 January 2005, the fund's investments in Japanese debt securities have been limited to 10% of its Deposited Property. Such investments in Japanese debt securities have been restricted to a minimum investment grade credit rating of A2 by Moody's, A by S&P, A by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency.

- (ii) Otherwise, the fund will place its monies on short term fixed deposits with banks that are rated with a minimum short term rating of A2 and P2 as defined by S&P and Moody's respectively and long term rating of A and A3 as defined by S&P and Moody's respectively.

To ensure that the fund owns a portfolio of debt securities with high credit quality, it will only invest in debt securities issued by governments of benchmark countries or debt securities of issuers with a minimum credit rating of Aa2 by Moody's, AA by S&P, AA by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency (and for issuers of Japanese debt securities, a minimum credit rating of A2 by Moody's, A by S&P, A by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency).

The benchmark is not used as a constraint on how the fund's portfolio is positioned. The Investment Managers have discretion over the portfolio construction and may invest in debt securities within and outside of the benchmark where it fits with the investment objective. The benchmark is also used for performance comparison purposes and as a reference to assess and manage risk.

To protect the Singapore Dollar value of the fund's investments, the Investment Managers may employ an active currency hedging programme to manage their non-Singapore Dollar currency exposure. For prudent management of the underlying foreign currency exposures of the bond investments in the fund, the hedging back into the Singapore Dollar - the base currency of the Trust - may range from 0% to 100% of the fund's net asset value at all times, i.e., the fund may range between being fully unhedged to fully hedged, but would never be leveraged in foreign currency exposure.

To assist diversification of credit risks, other than sovereign or sovereign related credit risks, exposure to any one corporate issuer is restricted to no more than 10% of the total value of the Deposited Property.

In order to ensure a greater degree of liquidity or marketability of the investments, the fund will not invest in more than 5% of the aggregate issued and outstanding securities of any single issue.

The Investment Managers currently do not intend to engage in securities lending and/or carry out repurchase transactions. However, should the Investment Managers decide to engage in securities lending or repurchase transactions for the fund, they shall comply with all applicable laws and regulations relating to securities lending and repurchase transactions.

Please refer to Franklin Templeton Prospectus for further information on the investment policy / approach of the Underlying Fund.

### **AIA Investment Funds – AIA Singapore Bond Fund**

The fund aims to generate stable income with capital preservation by investing primarily in high credit quality fixed income securities denominated in SGD.

In order to achieve its investment objective, the fund will invest primarily, i.e. at least 50% of the Underlying Fund's Net Asset Value, in high credit quality SGD-denominated fixed or floating rate fixed income securities issued by Singapore and non-Singapore entities.

The Investment Manager combines bottom-up research with a top-down analysis of the global environment approach to buying and selling investments for the fund.

The fund may use financial derivative instruments for hedging and efficient portfolio management purposes only, including, but not limited to, foreign exchange swaps and forwards.

The fund is actively managed. The Investment Manager will therefore not track any index and/or have any constraints in relation to the allocation of the portfolio, based on the change in the composition of any index. Should investors in the fund wish to have a benchmark solely as a reference for them to compare against the fund's performance, then the Investment Manager would currently suggest using the Markit iBoxx Singapore Dollar (SGD) Bond Index.

Please refer to the AIA Investment Funds Prospectus for further information on the investment policy of the Underlying Funds

### **INFORMATION ON THE MANAGER OF ILP SUB-FUND**

The Manager of AIA Global Balanced Fund is AIA Investment Management Private Limited ("AIAIM"), a Singapore-incorporated company that is part of the AIA Group. It was incorporated in 2016 to undertake investment management activities, specialising in the Asian region, for AIA Group's insurance business.

In doing so it has assumed the investment management activities previously carried out by AIA Singapore Private Limited ("AIA Singapore"), which has been operating in Singapore since 1931. AIAIM has built on AIA Singapore's expertise, bringing across its' investment professionals and further strengthening the investment team to reflect its role as a centre for excellence in Asian regional fund management. AIAIM is licensed by the Monetary Authority of Singapore.

AIA Group is a market leader in the Asia Pacific region (ex Japan) based on life insurance premiums and holds leading positions across the majority of its 18 markets in this region. As of 30 June 2023, AIA Group had USD 276 billion of total investments including financial investments, investment property, property held for own use, and cash and cash equivalents. AIA Group and AIA Singapore have been managing insurance assets for more than 50 years.

In the event that the Manager were to become insolvent, the assets of the ILP Sub-Fund would not be affected as they continue to be held by the Custodian in an account separate from the Manager's other accounts.

### **INFORMATION ON THE MANAGERS OF UNDERLYING FUNDS**

#### **Harris Associates L.P.**

Harris Associates L.P. was founded in 1976 by experienced investment professionals to provide investment advice to wealthy individuals and institutions. These professionals, who had formerly worked in the private investment office of a prominent Chicago entrepreneur, created and refined the distinct value investment philosophy which has guided the Firm since its inception. Today, Harris Associates offers U.S. equity, international equity, global equity and balanced strategies to individuals and institutions worldwide.

Harris Associates L.P is domiciled in the US and has managed collective investment schemes or discretionary funds for approximately 46 years. Harris Associates L.P is regulated by the U.S Securities and Exchange Commission.

In the event that the delegated investment manager becomes insolvent, the management company may terminate the fund or appoint a new delegated investment manager (the appointment of which is subject to approval or clearance by the relevant regulators) in accordance with the articles of incorporation/constitutive documents of the Umbrella Fund. Securities held by the depositary are segregated from the other assets of the delegated investment manager and ring-fenced against the insolvency of the delegated investment manager.

#### **Nikko Asset Management Europe Ltd**

The Management Company, Nikko Asset management Luxembourg S.A., has appointed, under the overall control of the Board of Directors of the Nikko AM Global Umbrella Fund, Nikko Asset Management Europe Ltd as Investment Manager to manage the assets of the fund on a discretionary basis.

NAM Europe, whose principal business is the provision of discretionary portfolio management services, is owned indirectly by Nikko Asset Management Co., Ltd. NAM Europe is domiciled in the United Kingdom and is regulated by the Financial Conduct Authority. NAM Europe has been managing collective investment schemes or discretionary funds for more than 37 years.

### **Templeton Asset Management Ltd**

The Investment Manager of the fund is Templeton Asset Management Ltd, whose registered office is at 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987. The Investment Manager is regulated by the Monetary Authority of Singapore.

The Investment Manager is an indirect wholly-owned subsidiary of Franklin Resources, Inc. ("FRI"), a holding company with subsidiaries operating as Franklin Templeton that provide asset management services, including the Investment Managers. FRI was founded in 1947 and is listed on the New York Stock Exchange, Inc. under the symbol "BEN". As at 31 March 2023, FRI reported approximately US\$1.4 trillion of assets under management. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives.

The Investment Manager has been managing collective investment schemes in Singapore since 1992. As at 31 March 2023, the Investment Manager has approximately S\$33,811,198,456 of assets under their management.

In accordance with the provisions of the Deed, in the event the Investment Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or a judicial manager is appointed in respect of the Investment Managers, the Trustee may by notice in writing (i) remove the Investment Managers as the managers of the fund and/or (ii) terminate the fund.

Western Asset Management Company Pte. Ltd. ("WAMC Pte Ltd"), Western Asset Management Company, LLC ("WAMC") and Western Asset Management Company Limited ("WAMCL") have been appointed as the Investment Managers of the Franklin Templeton Western Asset Global Bond Trust.

FRI, WAMC Pte Ltd, WAMC and WAMCL are indirect wholly-owned subsidiaries of FRI.

The Investment Managers' strategic goal is to provide above average returns over the long term by managing diversified, risk controlled, value-oriented portfolios across a range of investment products in major and emerging markets and utilising multiple investment strategies to achieve above market returns while approximating market risk.

Each of the Investment Managers' advises and manages an extensive range of investments on behalf of institutions and individuals. Through unit trusts and separate account management, the Investment Managers provide their investors with access to fixed interest and currency investment opportunities that seek to add value and control risk.

WAMCL oversees management of the overall portfolio of the Fund. WAMC manages the North America, South America and Central America portfolio of debt securities of the Trust and WAMC Pte Ltd manages the Asia ex-Japan portfolio of debt securities of the fund.

### **WAMC Pte Ltd**

WAMC Pte Ltd is incorporated in Singapore and is regulated by the Authority.

WAMC Pte Ltd has been managing collective investment schemes in Singapore since 2003. As at 30 June 2022, WAMC Pte Ltd managed approximately S\$7.02 billion of assets on behalf of institutional clients and collective investment schemes.

### **WAMC**

WAMC is organised as a corporation under the laws of California, U.S.A. and is registered in the US with the US Securities and Exchange Commission as an investment adviser pursuant to the US Investment Advisers Act 1940 and also as a commodity-trading adviser and a commodity pool operator under the Commodity Exchange Act. WAMC is regulated by the US Securities and Exchange Commission. WAMC has extensive experience in the 7 mutual funds industry, having been managing mutual funds and other types of collective investment schemes since 1973.

### **WAMCL**

WAMCL is organised as a corporation in the United Kingdom and is regulated and supervised in respect of its investment management activities by the UK Financial Conduct Authority. WAMCL is regulated by the UK Financial Conduct Authority. WAMCL has extensive experience in the mutual funds industry, having been managing mutual funds and other types of collective investment schemes since 1996.

In the event of the insolvency of an Investment Manager, the Investment Managers shall be entitled to terminate the management agreement with that insolvent Investment Manager immediately in accordance with applicable laws. In such a situation, it is likely that the Investment Managers would replace that insolvent Investment Manager with another company within FRI.

### **AIA Investment Management Private Limited**

Please refer to Information on the Manager of ILP Sub-Fund.

### **CONFLICT OF INTEREST**

The managers of the ILP Sub-Fund and Underlying Fund(s) shall conduct all transactions with or for the ILP Sub-Fund at arm's length. The managers are obligated to separately manage the investments for the ILP Sub-Fund and other funds under their management. If the various funds place orders for the same securities as the ILP Sub-Fund, the managers shall, as far as possible, allocate such securities among the funds in a fair manner.

The managers and their respective associates are or may be involved in other financial, investment and professional activities which may on occasion give rise to a conflict of interest with the management of the ILP Sub-Fund or the Underlying Fund(s). The managers will ensure that the performance of their respective duties will not be impaired by any such involvement. In the event that a conflict of interest does arise, the managers shall endeavour to ensure that it is resolved fairly and in the interest of investors.

## RISKS

### General Risk

The value of the ILP Sub-Fund and the Underlying Fund's assets may be affected by uncertainties and risks associated with investments. The Net Asset Value of the ILP Sub-Fund and the Underlying Fund will be influenced by the prices of these investments. This will in turn have an impact on the value of Units of the ILP Sub-Fund. Past performance is not necessarily a guide to future performance and investment in the ILP Sub-Fund should be regarded as a medium to long-term investment.

### Interest Rate

Bonds and other fixed income securities are interest rate sensitive, which means that their values and consequently, the Net Asset Value of the ILP Sub-Fund which invest in such securities directly or through Underlying Fund, will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities. The performance of each ILP Sub-Fund which invests in bonds and other fixed income securities directly or through Underlying Fund, therefore will depend in part on the ability of the Manager of the ILP Sub-Fund or the Underlying Fund to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns to you while attempting to minimise the associated risks to its investment capital.

### Credit Risk

Bonds and other fixed income securities and bank deposits are subject to credit risks, such as deterioration in the credit quality of the issuers, default by issuers and banks and general widening of credit spreads. This means that their values and consequently, the Net Asset Value of the ILP Sub-Fund which invest in such securities directly or through Underlying Fund, will fluctuate depending on the credit risk of the securities. A deterioration in the credit quality of the issuers, default by issuers or increase in credit risk premiums will generally reduce the value of the fixed income securities. The performance of each ILP Sub-Fund which invests in bonds and other fixed income securities and bank deposits directly or through Underlying Fund, therefore will depend in part on the ability of the Manager of the ILP Sub-Fund or the Underlying Fund to anticipate and respond to such changes in credit risk and to utilise appropriate strategies to maximise returns to you while attempting to minimise the associated risks to its investment capital.

### Equity Risk

The value of the equity securities which the ILP Sub-Fund invest directly in or through Underlying Fund, will fluctuate depending upon the general trends of stock markets, prevailing interest rates as well as the financial and operating performance of the issuers of those equity securities. The economic environment of the countries and the performance of the industries which the ILP Sub-Fund invests in directly or through Underlying Fund will have an impact on the value of the equity securities acquired. The value of the ILP Sub-Fund and the Underlying Fund are affected by such changes in the market conditions and interest rates.

### Market Risk

The value of the ILP Sub-Fund and the Underlying Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Furthermore, it should be noted that the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investments may be made do not provide the same degree of investor protection or information to you as would generally apply in major securities markets. As the ILP Sub-Fund and Underlying Fund invest in securities in various markets, e.g. global, Asia ex-Japan, etc, the Net Asset Value of the ILP Sub-Fund and Underlying Fund will be influenced by the prices of these investments. This will in turn have an impact on the value of Units of the ILP Sub-Fund.

### Counterparty Risk

There is a risk of counterparty defaulting in some markets as there may be no secure method of delivery against payment. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the sale may be, sale proceeds.

### Regulatory Risk

You should be aware that some of the industries which the ILP Sub-Fund and the Underlying Fund invest in may be subject to greater government regulations than many other industries in certain countries. Changes in government policies and the need for regulatory approval may have a material adverse effect on these industries. The companies which the ILP Sub-Fund invests in directly or through Underlying Fund may also be subject to risks of developing technology and communications, competitive pressures and other factors and are dependent upon consumer and business acceptance as new technologies evolve. Trading in such securities may be subject to more abrupt price movements.

### Political Risk

Investments in countries with less stable political and economic environments may be more volatile than those in the developed countries. The prices of investments in these markets may be influenced by economic and political conditions and interest rates.

## Investment Risk

There can be no guarantee against loss, nor any assurance that the ILP Sub-Fund's investment objective will be attained. The value of investments and the income from them and therefore the value of, and income from, the Units of each ILP Sub-Fund can fall as well as rise and you may not realize the same amount that you invested. Investment in the ILP Sub-Fund may only be suitable for you if you can accept the associated volatility and risks and are prepared to take a medium to longer term view of your investment.

## Specialized Investment Risk

You should be aware while specialized investments, i.e investments in a single country, specific industries, sectoral or regional Fund may present greater opportunities and potential for capital appreciation, they may also be subjected to higher risks as they may be less diversified than a global portfolio. The legal infrastructure and accounting, auditing and reporting standards in certain countries in which investments may be made do not provide the same degree of investor protection or information to you as would generally apply in major securities markets.

## Derivative Risk

The ILP Sub-Fund and the Underlying Fund are authorised to use derivative instruments from time to time. Derivative instruments are financial contracts whose values are "derived" from the value of the underlying assets. While the professional use of derivatives may be beneficial to the overall investment portfolio, derivatives in themselves involve different risks which may be greater than those of more traditional investments. As the volatility of prices of derivative instruments may be higher than that of their underlying stocks, commodities or other benchmarks, these derivative instruments are riskier.

## Currency / Exchange Rate Risk

The Net Asset Value per unit of the ILP Sub-Fund are computed in Singapore Dollars, whereas certain Underlying Fund and the securities which the ILP Sub-Fund invests in are denominated in foreign currencies. Changes in the exchange rate of the Singapore Dollar against the currencies of denomination of the Underlying Fund and the securities which the ILP Sub-Fund invests in will have an impact on the value of the units.

The investments of the ILP Sub-Fund and the Underlying Fund may each be denominated in a number of different currencies and hence be subjected to fluctuations in currency exchange rates and in certain cases, exchange control regulations. Further, the underlying investments of the Underlying Fund may be acquired in a wide range of currencies, some of which may not be freely convertible currencies. It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Manager may not consider it desirable to hedge against such risk. The Manager will enter into hedging transactions at its sole discretion. If you are a non-Singaporean, there may be state regulations governing the outward remittance of your share of net profits and dividends and the repatriation of your investments in a foreign currency.

## Liquidity Risk

There is no secondary market for the ILP Sub-Fund. All redemption requests should be made to AIA Customer Service Centre or through your AIA Financial Services Consultant or Insurance Representative. If you are a non-Singaporean, there may be state regulations governing the outward remittance of your share of net profits and dividends and the repatriation of your investments in a foreign currency.

You should note that there may be a limit on the number of units that can be redeemed on any Dealing Day and an investor may not be able to redeem on a Dealing Day if the redemption limit is imposed. Should a limit be imposed, a redemption request may be deferred to the next Dealing Day (which is subject to the same limit) if the redemptions exceed the limit on that day.

Some investments made in smaller markets may be less liquid and the limited liquidity of these markets may therefore affect the respective underlying fund's ability to acquire or dispose of securities at the price and time it desires.

## Taxation

You should note that the proceeds from the sale of securities in some markets or the receipt of any dividends or some other income may be or may become subject to tax, levies, duties or other fees or changes imposed by the authorities in that market, including taxation levied by withholding at source.

## Sustainability Risks

Sustainability Risk is principally linked to climate-related events resulting from climate change (physical risks) or to society's response to climate change (transition risks), which may result in unanticipated losses that could affect a ILP Sub-Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

<b>EXPENSE RATIO</b>
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The expense ratio for the period 1 January 2023 to 31 December 2023 is 1.55%.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and based on the figures in the ILP Sub-Fund's latest audited account.

The following expenses are excluded from the calculation of the expense ratio:

- (a) charges for insurance coverage;
- (b) brokerage and other transaction costs;
- (c) performance fees;
- (d) foreign exchange gains and losses;
- (e) front or back-end loads arising from the purchase or sale of other funds; and
- (f) tax deducted at source or arising from income received.

#### TURNOVER RATIO

The turnover ratio of ILP Sub-Fund follows that of the Underlying Funds as the ILP Sub-Fund invests all or substantially all of its assets into its Underlying Funds.

Underlying Funds	Nikko AM Shenton Global Opportunities Fund	Natixis International Funds (LUX) I - Harris Associates Global Equity Fund	Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust)	AIA Investment Funds – AIA Singapore Bond Fund
Turnover ratio	42.94%*	30.31%#	33.45%*	71.91^

\* Unaudited as at 31 December 2023

# Unaudited as at 31 December 2022

^Unaudited as at 31 December 2023 as per Luxembourg calculation methodology.

#### SOFT DOLLAR ARRANGEMENT

##### **Nikko AM Global Umbrella Fund - Nikko AM Global Equity Fund**

In their management of the Nikko AM Global Equity Fund, the management company and the Investment Manager currently do not receive or enter into any soft dollar commissions or arrangements.

##### **Natixis International Funds (LUX) I - Harris Associates Global Equity Fund**

The Investment Managers may use brokerage firms, which, in addition to routine order execution, provide a range of other goods and services. To the extent permitted by the rules/regulation in the jurisdiction in which each is registered, the Investment Managers may accept goods or services (often referred to as “soft dollar commissions: or “soft commissions”) from these brokerage firms. The precise nature of such services will vary, but may include (i) research related to the economy, industries or a specific company, (ii) investment related hardware or software, (iii) electronic and other types of market quotation information systems, or (iv) financial or economic programs and seminars. Where the Investment Manager executes an order on behalf of a Fund through such a broker or such person, passes on that person’s charges to the Fund, and receives in return goods or services additional to that execution service, it will seek to ensure that such additional goods and services benefit the Fund or comprise the provision of research.

##### **Franklin Templeton Western Asset Global Bond Trust (formerly known as Legg Mason Western Asset Global Bond Trust)**

The Investment Managers of the Franklin Templeton Western Asset Global Bond Trust currently do not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the fund. The Investment Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Investment Managers may receive include specific advice as to the advisability of dealing in, or the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees’ salaries or direct money payment.

The Investment Managers will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the relevant Investment Managers (as the case may be), assist them in its management of the Franklin Templeton Western Asset Global Bond Trust, provided that it shall ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

##### **AIA Investments Funds – AIA Singapore Bond Fund**

In the management of the Sub-Fund and Underlying Fund(s), the Investment Manager may enter into Commission Sharing Arrangements (“CSA”) with brokers who execute transactions on behalf of the Sub-Fund in accordance with applicable regulations. “CSA-funded” services may be received if they can reasonably be expected to assist the Investment Manager in its provision of portfolio management services generally including but not limited to:



- Research and advisory services;
- Portfolio analyses, including valuation and performance;
- Market analyses;
- Data and quotation services; and
- Computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis

The Investment Manager does not enter into unnecessary trades to achieve a sufficient volume of transactions to qualify for CSA and transactions are executed on the best available terms, taking into account the market at the time for transactions of the kind and size concerned.

The Investment Manager does not receive the following goods and services under CSA:

- Travel;
- Accommodation;
- Entertainment;
- General administrative goods or services;
- General office equipment of premises;
- Membership fees; and
- Employee salaries

## Risk Disclosure Statement for Funds

### US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")

Under the FATCA provisions of the U.S. Hiring Incentives to Restore Employment ("HIRE") Act, where a Fund invests directly or indirectly in U.S. assets, payments to the Fund of U.S.-sourced income after 30 June 2014, gross proceeds of sales of US property by the Fund after 31 December 2016 and certain other payments received by the Fund after 31 December 2016 will be subject to 30% U.S. withholding tax unless the Fund complies with FATCA.

FATCA compliance can be achieved by entering into an agreement with the U.S. Secretary of the Treasury under which the Fund agrees to certain U.S. tax reporting and withholding requirements as regards holdings of and payments to certain investors in the Fund. Certain governments may enter into agreements directly with the U.S. government concerning U.S.-sourced income and the regulations and rules which are issued following these agreements will determine how the Fund can achieve FATCA compliance.

If the Fund is unable to satisfy the obligations imposed to avoid the imposition of the withholding tax, certain U.S.-sourced payments to the Fund may be subject to 30% withholding tax, which could reduce the cash available for investors. Any amounts of U.S. tax withheld may not be refundable by the Inland Revenue Service.

You are advised to consult your professional advisors on the impact of FATCA on any Fund that you have selected for allocation of any part of your Policy premium(s) and AIA Singapore makes no representation or warranty that a Fund is FATCA-compliant.

In the context of the above, a "Fund" means a collective investment scheme within the meaning of the Securities and Futures Act 2001, Singapore and the Notice No. MAS 307 applicable to Investment-Linked Policies issued by the Monetary Authority of Singapore.

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