

AIA Acorns of Asia Fund

(the “ILP Sub-Fund”)



**HEALTHIER, LONGER,
BETTER LIVES**

Fund Summary (IFPS)
Prepared on March 2019

AIA ACORNS OF ASIA FUND

(the “ILP Sub-Fund”)

FUND FACTS

Manager of ILP Sub-Fund	AIA Investment Management Private Limited
Sub-Manager of the ILP Sub-Fund (equities portion)	Schroder Investment Management (Singapore) Ltd
Inception Date	31 August 2001
Annual Management Fee ¹ (p.a.)	1.50% (max 2.50%) of its Net Asset Value
Source of Fund	Cash, SRS, CPFIS OA & CPFIS SA
CPFIS Risk Classification	Medium to High Risk – Narrowly Focused – Regional – Asia

¹ 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.

PAST PERFORMANCE (as at 31 December 2018)

Annualized Returns	1 year	3 years	5 years	10 years	Since Inception
AIA Acorns of Asia Fund	-10.44%	6.13%	4.89%	8.04%	6.53%
Benchmark ^{^*} : 60% MSCI AC Asia ex-Japan Index (DTR Net) & 40% JP Morgan Sing Govt Bond Index All (with effect from 1 May 2016)	-6.68%	5.77%	4.44%	6.85%	7.00%

[^]Previous Benchmark

Inception to 30 April 2016 - 60% MSCI AC Far East ex-Japan Index (DTR Net) & 40% JP Morgan Sing Govt Bond Index All

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

Notes:

1. Performance of the ILP Sub-Fund are 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 the above 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

INVESTMENT OBJECTIVE OF ILP SUB-FUND

This fund seeks to achieve long-term capital appreciation as well as stable income, by investing in Asian (excluding Japan) equities; and fixed income securities denominated primarily in SGD, in such proportion as the Manager deems fit.

INVESTMENT APPROACH OF ILP SUB-FUND

The Manager aims to achieve long-term capital appreciation by investing approximately 60% in quoted equities in Asian markets (including Australia and New Zealand but excluding Japan) and 40% primarily in Singapore dollar denominated fixed income instruments. This asset mix may vary, depending on market conditions.

For the equities portfolio:

Schroder Investment Management (Singapore) Ltd

The investment philosophy of the Manager is founded on the belief that returns over the long term are determined by economic and corporate fundamentals and that the analysis of those factors should be the foundation of the Manager's investment strategy. Given the lack of comprehensive information flow on Asian ex-Japan equities, the Manager believes their style of active management with emphasis on in-house fundamental research will add value.

The Manager's approach is to capitalise on Schroders' strong in-house research capability and exploit market inefficiencies.

Over the longer term, the Manager believes that share prices should reflect the ability of companies to create value for shareholders. As such, the distinctive focus of their research is to identify companies that have robust business models, good corporate governance and strong management teams to drive shareholder returns. These are companies that exhibit the following:

- Ability to generate sustainable returns on capital greater than cost of capital
- Ability to grow and reinvest cash productively
- Willingness to return free cash flow to minority investors

At the industry level, the manager seeks to predict potential industry developments, focusing on competition, supplier power, barriers to entry, buyer power and threat of substitution amongst other things. As part of their analysis, they form a picture of how different companies may find their place within the longer-term structure of each industry. In this regard, Schroders' global resources are a critical asset in a world where markets are becoming increasingly globalised.

At the company level, the managers seek to discern whether a firm has the tangible and intangible resources to support its positioning within its industry. A company's stated strategy and its management's execution track record are key inputs in the analysis. They also emphasise profitability by focusing on a company's ability to generate revenue growth and defend profit margins. A company's ability to generate sustainable free cash flows either to fund business growth or to return to shareholders is also paramount.

For the fixed income portfolio:

AIA Investment Management Private Limited

The fixed income allocation of the ILP Sub-Fund is invested primarily in Singapore dollar denominated fixed income instruments issued by Singapore and non-Singapore entities, based on the same investment strategy as the AIA Regional Fixed Income Fund. Please refer to the investment approach for AIA Regional Fixed Income Fund.

INFORMATION ON THE MANAGER OF ILP SUB-FUND

The Manager of AIA Acorns of Asia 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 2018, AIA Group had USD 187.7 billion of asset under management, invested in a broad range of asset classes across equities, fixed income, real estate and alternative investments. 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 SUB-MANAGER OF ILP SUB-FUND

Schroder Investment Management (Singapore) Ltd was incorporated in Singapore in 1992 and has been managing collective investment schemes and discretionary funds in Singapore since 1992.

Schroder Investment Management (Singapore) Ltd is part of the Schroder group ("Schroders"). Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s, and is a leading global asset management

company, whose history dates back over 200 years. Schroders' holding company, Schroders Plc, is and has been listed on the London Stock Exchange since 1959.

Schroders manage £439.2 billion (EUR 493.0 billion/US\$572.7 billion) as at 30 September 2018, on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of active strategies across equities, fixed income, multi-asset, alternatives and real estate. Schroders employ over 4700 talented people worldwide operating from 140 entities in 29 different countries across Europe, the Americas, Asia and the Middle East, close to the markets in which they invest and close to their clients.

Securities held by the Custodian or the Trustee will be segregated from the other assets of the Manager and ring-fenced against the insolvency of the Manager.

RISKS

General Risk

The value of the ILP Sub-Fund's assets may be affected by uncertainties and risks associated with investments. The Net Asset Value of the ILP Sub-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 will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities. The performance of the ILP Sub-Fund which invests in bonds and other fixed income securities directly, therefore will depend in part on the ability of the Manager of the ILP Sub-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, 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 the ILP Sub-Fund which invests in bonds and other fixed income securities and bank deposits directly, therefore will depend in part on the ability of the Manager of the ILP Sub-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 invests directly in, 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 will have an impact on the value of the equity securities acquired. The value of the ILP Sub-Fund is affected by such changes in the market conditions and interest rates.

Market Risk

The value of the ILP Sub-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 invest in securities in various markets, e.g. global, Asia ex-Japan, etc, the Net Asset Value of the ILP Sub-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 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 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 funds 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 is 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 is computed in Singapore Dollars 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 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 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 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. Some investments made in smaller markets may be less liquid and the limited liquidity of these markets may therefore affect the ILP Sub-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.

Stock Connect

The ILP Sub-Fund may invest in China A-Shares of mainland China through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect. The current regulations relating to the Stock Connect are untested and subject to change which may have potential retrospective effects. The Stock Connect is subject to quota limitations which may restrict the ILP Sub-Fund's ability to invest in China A-Shares through the Stock Connect on a timely basis. Where a suspension in the trading through the Stock Connect is effected, the ILP Sub-Fund's ability to access the mainland China market will be adversely affected. The mainland China regulations impose certain restrictions on selling. Hence the ILP Sub-Fund may not be able to dispose of holdings of China A-Shares in a timely manner. When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. Due to the differences in trading days of the mainland China and the Hong Kong markets, the ILP Sub-Fund may be subject to a risk of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result.

Trading in securities through the Stock Connect is subject to clearing and settlement risk. If Clearing Corporation Limited ("ChinaClear") defaults, the ILP Sub-Fund may suffer delays in the recovery process or may not be able to fully recover its losses from ChinaClear. Further, the investments of the ILP Sub-Fund are not covered by Hong Kong's Investor Compensation Fund.

Restrictions on selling are imposed by front-end monitoring. PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise Shanghai Stock Exchange ("SSE") will reject the sell order concerned. Stock Exchange of Hong Kong Limited ("SEHK") will carry out pre-trade checking on China A Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

The Stock Connect is subject to operational risk. If the systems of the Stock Exchange of Hong Kong Limited ("SEHK") and market participants fail to function properly, trading in both markets through the program could be disrupted.

The precise nature and rights of the ILP Sub-Fund as the beneficial owners of the China A-Shares through Hong Kong Securities Clearing Company Limited ("HKSCC") as nominee is not well defined under the mainland China law. Therefore the exact nature and methods of enforcement of the rights and interests of the ILP Sub-Fund under the mainland China law is uncertain. If HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A-Shares will be regarded as held for the beneficial ownership of the ILP Sub-Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

The China Securities Regulatory Commission ("CSRC") Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. Such regulations may also have potential retrospective effect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The relevant funds which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

The ILP Sub-Fund may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the Fund and its investors. Additional risks, namely, higher fluctuation on stock prices, over-valuation risk, differences in regulations and delisting risk, apply to such investments.

QFII

Under the prevailing regulations in the PRC, foreign investors can invest in China A Shares through institutions that have obtained QFII status in the PRC. The current QFII regulations impose strict restrictions (including rules on investment restrictions, minimum investment holding period as well as remittance and repatriation of principal and profits) on China A Share investment. The ILP Sub-Fund may not be able to freely repatriate principal and profits from China and there may be potential lock-up periods imposed for repatriation. The restrictions on or the delays in the repatriation of principal and profits may have an unfavourable impact on the ILP Sub-Fund. The QFII policy and related laws, rules and regulations in the PRC are also subject to change and such change may have potential retrospective effect. The ILP Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to such laws, rules and regulations. Investments by a fund in China A Shares and other permissible securities denominated in Renminbi will be made through the QFII in Renminbi.

In extreme circumstances, the ILP Sub-Fund may incur losses due to limited investment opportunities, or may not be able to fully implement or pursue their investment objectives or strategy, due to QFII investment restrictions, illiquidity of the China A Shares, and/or delay or disruption in execution of trades or in settlement of trades.

The ILP Sub-Fund may also suffer substantial losses if there is insufficient QFII quota allocated for the ILP Sub-Fund to make investments, the approval of the QFII is being revoked/terminated or otherwise invalidated as the ILP Sub-Fund may be prohibited from trading of relevant securities and repatriation of the funds' monies, or if any of the key operators or parties (including QFII custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

EXPENSE RATIO

The expense ratio for the period 1 January 2018 to 31 December 2018 is 1.53%.

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 unaudited turnover ratio for the one year period ending 31 December 2018 is 47.30%.

SOFT DOLLAR ARRANGEMENT

In the management of the Fund, the Manager may enter into soft dollar arrangements with brokers who execute transactions on behalf of the Fund in accordance with applicable regulations. Soft dollars may be received if it can reasonably be expected to assist the 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 Manager does not enter into unnecessary trades to achieve a sufficient volume of transactions to qualify for soft dollars 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 Manager does not receive the following goods and services under soft dollar arrangements:

- Travel
- Accommodation
- Entertainment
- General administrative Goods and Services
- General office equipment or premises
- Membership fees
- Employee salaries or direct money payment

Sub-Manager: Schroder Investment Management (Singapore) Ltd

In the management of the Fund, the Sub-Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (a) research, analysis or price information;
- (b) performance measurement;
- (c) portfolio valuations; and
- (d) administration services.

The Sub-Manager shall not enter into unnecessary trades in order to qualify for such soft dollar commissions or arrangements and shall not receive goods and services such as travel, accommodation and entertainment, and best execution is carried out for the transactions.

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 (Cap. 289), Singapore and the Notice No. MAS 307 applicable to Investment-Linked Policies issued by the Monetary Authority of Singapore.

The AIA Acorns of Asia Fund is an investment-linked policy (ILP) fund offered by AIA Singapore Private Limited ("AIA Singapore") and is only available under AIA Investment-Linked Policies. AIA Singapore is the product provider. This fund summary (IFPS) is prepared by AIA Singapore and the information presented is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the ILP fund. The performance of the ILP fund is not guaranteed and the value of the units in the ILP fund and the income accruing to the units, if any, may fall or rise. A product summary and product highlights sheet relating to the ILP fund are available and may be obtained from your AIA Financial Services Consultant. A potential investor should read the product summary and product highlights sheet before deciding whether to subscribe for units in the ILP fund. AIA Singapore does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise.