



**AIA GLOBAL DYNAMIC INCOME FUND**  
(the "ILP Sub-Fund")

**FUND FACTS**

Manager of ILP Sub-Fund	AIA Investment Management Private Limited
Inception Date	8 September 2020
Annual Management Fee <sup>1</sup> (p.a.)	1.35% (max 3.00%) of its Net Asset Value
Source of Fund	Cash and SRS
Fund Risk Classification	Medium to High Risk

The ILP Sub-Fund is a fund of funds and will primarily invest into the Underlying Funds that resides under the investment vehicle - AIA Investment Funds ("SICAV"). AIA Investment Funds is an open-ended investment company established on 23 May 2019 in Luxembourg as a société d'investissement à capital variable ("SICAV") and qualifies as an undertaking for collective investment in transferable securities ("UCITS") and has obtained recognition under the Directive 2009/65/EC of the European Parliament and of the Council for marketing in certain Member States of the European Union.

<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.

**PAST PERFORMANCE (as at 31 January 2022)**

Annualized Returns	1 year	3 years	5 years	10 years	Since Inception
AIA Global Dynamic Income Fund	5.30%	NA	NA	NA	5.70%

The ILP Sub-Fund is unconstrained and therefore not managed with reference to a benchmark.

**Notes:**

1. Performance of the ILP Sub-Funds 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 future performance.

**INVESTMENT OBJECTIVE OF ILP SUB-FUND**

The ILP Sub-Fund aims to provide regular income and total return over the long term by investing in a variety of attractive income generation asset classes including but not limited to fixed income securities, equities, covered call options and collective investments.

**INVESTMENT APPROACH OF ILP SUB-FUND**

The ILP Sub-Fund seeks to achieve its investment objective by obtaining direct or indirect exposure to equities and fixed income, which may include equity and equity-related securities (including, but not limited to, common shares, preference shares, warrants, rights issues and depository receipts (American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)), fixed income and fixed income-related securities, money market instruments and cash. Indirect exposure to these asset classes will be achieved through investments in units or shares of eligible collective investment schemes, including but not limited to the Underlying Funds, exchange traded funds and other index funds.

The asset mix may vary, depending on market conditions. There will be periodic rebalancing to minimize deviation from the stated proportions set above.

- Vary the percentage of assets of the ILP Sub-Fund which may be invested into the Underlying Funds residing under AIA Investment Funds and may, subject to such regulatory approvals as may be required, vary the jurisdictions and types of Underlying Funds into which the fund may invest, in accordance with the investment objective and policy of the ILP Sub-Fund.
- Revise the list of Underlying Funds residing in the AIA Investment Funds to achieve the investment objective and policy of the ILP Sub-Fund.

**Asset mix determination**

The Manager is responsible for the selection and allocation of capital to the Underlying Funds to meet the investment objective of the ILP Sub-Fund and will maintain the asset allocation range of the ILP Sub-Fund for the different asset classes. The following table list out the indicative ranges:

Asset Type	Indicative Percentage of the ILP Sub-Fund's Net Asset Value
Equities and equity related securities	0% -70%
High Yield Fixed income and fixed income related securities	
Investment Grade Fixed Income and fixed income related securities	30% - 100%
Cash or cash equivalents	0% -5%

Based on top-down analysis on major economic development, valuation and market factors such as technical trends, investor sentiment, earnings and momentum, the Manager makes asset allocation decision across asset classes and within asset classes. More specifically, the Manager will analyze macroeconomic trends to determine how the asset prices will react to the macro developments. To ensure the comprehensiveness of the top-down analysis, the Manager conducts both quantitative assessment and qualitative research on financial markets. On the quantitative front, the Manager systematically analyzes macro variables through quantitative scorecards to form views on the expected performance of various asset classes. On the qualitative front, there are regular asset allocation meetings between the Manager and other investment professionals across the AIA Group to discuss major economic developments and outlook on the financial markets. These meetings will form the basis of the Manager's outlook on financial markets and drive the asset allocation decisions between asset classes, as well as within asset classes.

#### Selection of external manager

In relation to the selection of collective investment schemes, the Manager has in place a robust external manager evaluation process, which utilises a systematic and disciplined quantitative screening method to effectively shortlist external managers on the basis of their historical performance. The shortlisted external managers are then subject to a thorough due diligence process which involves both quantitative and qualitative analysis. The due diligence quantitative analysis seeks to evaluate how and why the external managers have delivered in the past. The qualitative due diligence assessment will help (a) ascertain observations derived from the quantitative analysis, (b) thoroughly understand the process of an external manager as well as the resources supporting these processes and (c) establish the level of conviction that the Manager needs so as to make an allocation. Selected external managers are then monitored on an ongoing basis.

### **INVESTMENT APPROACH OF UNDERLYING FUNDS**

#### AIA Investment Funds - Diversified Fixed Income Fund

The fund invests primarily, i.e. at least 50% of its Net Asset Value, in USD-denominated fixed or floating rate fixed income securities issued by government, agencies and companies globally. The fund can invest in securities issued by issuers domiciled outside of the US as long as they are denominated in USD.

The fund invests primarily in securities rated investment grade (BBB- or above rated by Standard & Poor's, Baa3 or above by Moody's and BBB- or above by Fitch or an equivalent rating from an internationally recognised rating agency) and non-investment grade securities shall not exceed 20% of the net assets of the fund. The fund will not invest in distressed or default securities (rated CCC+ (or equivalent) or below).

#### AIA Investment Funds – US High Yield Bond Fund

The fund seeks to maximise long-term total return, consistent with preservation of capital and prudent investment management by investing in a diversified fixed income portfolio consisting primarily of high yield securities denominated in USD

The fund invests primarily, i.e. at least 50% of the Sub-Fund's Net Asset Value, in a diversified portfolio of high yield Fixed Income Instruments denominated in USD that are rated lower than Baa3 by Moody's, or lower than BBB- by S&P or equivalently rated by Fitch.

#### AIA Investment Funds – Equity Income Fund

The fund seeks to provide income through a portfolio of global equities and equity-related securities with a covered call strategy to enhance income generation.

The fund invests primarily, i.e. at least 50% of the Sub-Fund's Net Asset Value, in equity securities and equity-related securities issued by companies globally selected for their income and / or growth potential and call options writing.

The fund invests in equity, such as shares, preferred stocks, and other securities with equity characteristics. The fund may also invest directly, or take exposure to through derivative instruments such as options, depository receipts (such as American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and European Depository Receipts (EDRs)), rights, warrants, units of eligible Real Estate Investment Trusts (REITs).

The Investment Manager uses a covered call strategy within the fund, selectively selling short dated call options over individual equity securities held by the fund. This strategy aims to generate additional income for the fund through premiums from the sale of call options. By selling options, the fund foregoes some or all of a security's upside price appreciation above a pre-specified level in exchange for an up-front payment. Where the fund uses Total Return Swaps (TRS), the underlying consists of instruments and indices in which the fund may otherwise invest directly according to its investment policy. The notional amount of such TRS may represent up to a maximum of 10% of the Net Asset Value of the fund. Under normal circumstances, it is generally expected that the notional amount of such TRS will not exceed 10% of the Net Asset Value and remain within the range of 0% to 20% of the Net Asset Value. The fund may incur fees and transaction costs upon entering into TRS and/or any increase or decrease of their notional amount.

With a view to enhancing income and/or as part of the investment strategy, the fund may also make use of exchange traded and over-the-counter options, futures, and other derivatives for efficient portfolio management purposes.

The fund may use financial derivative instruments for hedging purposes. The fund may use in particular but not limited to currency forward contracts, futures contracts and other UCITS eligible derivatives.

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 the ILP Sub-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 2021, AIA Group had USD 286.38 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 FUND

Underlying Funds	Manager
AIA Investment Funds - AIA Diversified Fixed Income Fund	Sub-managed by BlackRock Financial Management, Inc.
AIA Investment Funds - AIA US High Yield Bond Fund	Sub-managed by PIMCO Asia Pte Ltd
AIA Investment Funds - AIA Equity Income Fund	Sub-managed by Wellington Management Company, LLP

### BlackRock Financial Management, Inc.

Founded in 1988, BlackRock is the world's largest provider of investment management with assets under management of USD 10 trillion, as of 31 December 2021. With over 2000 investment professionals managing equity, fixed income, cash management, alternative investment, real estate and advisory strategies.

BlackRock Financial Management, Inc. is a company incorporated under the laws of the State of Delaware whose registered office is at 55 East 52nd Street, New York City, NY 10055, United States of America. The Sub-Investment Manager is authorised for the purpose of asset management and regulated by the United States of America's Securities and Exchange Commission under local law or regulation.

Blackrock Financial Management Inc as Sub-Manager, which may appoint the delegates listed below as its sub-managers or investment advisors and shall pay them out of its own sub-investment management fee:

- BlackRock Investment Management (UK) Limited, regulated by the Financial Conduct Authority, United Kingdom
- BlackRock Asset Management North Asia Limited, regulated by the Securities and Futures Commission in Hong Kong

The Underlying Funds uses the services of a Depository to safeguard the asset of the Fund. If the Managers becomes insolvent, the Depository shall ensure the safekeeping of the Fund's assets, which will be held in custody either directly by the Depository or, to the extent permitted by applicable laws and regulations, through other third-party entities acting as delegates. The Depository has also to ensure that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depository on behalf of the Fund.

### PIMCO Asia Pte Ltd

Pacific Investment Management Company LLC ("PIMCO") was founded in Newport Beach, California in 1971 and is a global investment solutions provider. As of December 31, 2021, PIMCO managed \$2.20 trillion [1] in assets under management with more than 3,000 [2] dedicated professionals in 12 countries. While primarily known as one of the world's largest fixed income managers, PIMCO also manages a broad range of strategies across different asset classes including alternatives, equities, and real assets.

PIMCO Asia Pte Ltd. is a company incorporated under the laws of Singapore whose registered office is at 8 Marina View #30-01, Asia Square Tower 1, Singapore 018960. The Sub-Investment Manager is authorised for fund management by the Monetary Authority of Singapore. PIMCO Asia Pte Ltd. may appoint the delegates listed below as its sub-delegates in respect of investment management and other responsibilities:

- PIMCO Europe Ltd, PIMCO Japan Ltd, PIMCO Australia Pty Ltd, PIMCO Asia Limited, PIMCO Europe GmbH and Pacific Investment Management Company LLC. PIMCO Asia Pte Ltd may delegate back office services to State Street Investment Manager Solutions, LLC and its affiliates.

[1] Assets include \$17.1 billion in assets of clients contracted with Gurtin Fixed Income Management, LLC and \$79.7 billion in assets of clients contracted with Allianz Real Estate, affiliates and wholly-owned subsidiaries of PIMCO.

[2] Employee data excludes Gurtin Fixed Income Management, LLC, except for Total employees, which includes employees of Gurtin Fixed Income Management, LLC, which PIMCO acquired in January 2019.

### Wellington Management Company LLP

Wellington Management is one of the world's largest independent investment management firm, with over USD 1.4 trillion in client assets under management as of 31 December 2021. Tracing its roots to 1928, Wellington Management has been managing collective investment schemes and discretionary funds for over 80 years and serves a wide range of institutional clients around the world in over 61 countries. Their client base is global and diverse by design and includes mutual fund and variable insurance sponsors; company, occupational, and public pension funds;

defined contribution plan sponsors; government and supranational entities; banks and private banks; insurance entities; endowments, foundations, and religious and health care institutions; investment advisory firms; private investment offices; and high-net-worth individuals.

Wellington Management Company LLP is a limited liability partnership organised under the laws of Delaware, United States of America. The Sub-Investment Manager is authorised for the purpose of asset management and regulated by the U.S. Securities and Exchange Commission under local law or regulation.

Wellington Management Company LLP as Sub-Manager, which may appoint the delegates listed below as its sub-managers or investment advisors and shall pay them out of its own sub-investment management fee:

- Wellington Management International Ltd, authorised and regulated by the Financial Conduct Authority, United Kingdom
- Wellington Management Japan Pte Ltd, regulated by the Financial Services Agency in Japan
- Wellington Management Hong Kong Ltd, regulated by the Securities and Futures Commission in Hong Kong
- Wellington Management Australia Pty Ltd, regulated by the Australian Securities and Investments Commission
- Wellington Management Singapore Pte Ltd, regulated by the Monetary Authority of Singapore

The Underlying Funds uses the services of a Depositary to safeguard the asset of the Fund. If the Managers becomes insolvent, the Depositary shall ensure the safekeeping of the Fund's assets, which will be held in custody either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through other third-party entities acting as delegates. The Depositary has also to ensure that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depositary on behalf of the Fund.

## DIVIDEND DISTRIBUTION

The ILP Sub-Fund intends to distribute dividends on a quarterly basis. AIA Singapore intends to distribute dividends from the income and/or net realised gains of the ILP Sub-Fund, and AIA Singapore maintains the discretion to distribute dividends out of capital. Both capital and dividend distributions are not guaranteed. AIA Singapore has the sole discretion to determine the dividend distribution rate and frequency of the distribution.

Investors who are invested in the ILP Sub-Fund and have units credited and held in their policy as at ex-date, as evidenced in our records, will be entitled to dividend distributions. Ex-date is set on the 10<sup>th</sup> Business Day of March, June, September, December.

By default, the dividends will be reinvested and distributed as additional units in the ILP Sub-Fund, equivalent to the total value of the dividends divided by the bid price of each unit prevailing on the reinvestment date. Investors can change dividend distribution option from reinvestment to cash payout by informing AIA Singapore.

If you have opted to be paid the dividends in cash, AIA Singapore intends to pay you the cash dividends within 20 business days from the ex-date. Your entitled dividends will not be paid in cash if the cash value of the dividend is less than S\$50. In such an event, the dividend is automatically reinvested and you will be given additional units calculated in the manner specified above. Partial withdrawal charges will not apply to the payment of dividends. Partial withdrawal charges will only apply if you instruct AIA Singapore to redeem the units from the reinvestment. AIA Singapore has the sole discretion to determine the dividend distribution payout date and reinvestment date.

There will be two business days of non-dealing during which the subscription and/or redemption of units cannot be carried out (including transactions such as fulfilling single premium payments, top-up premium requests, fund switch requests, partial withdrawal/ full surrender/ claim requests or your exercise of the free-look option which necessarily lead to the subscription or redemption of Units). The non-dealing days will occur immediately before the ex-date, i.e. on the 8<sup>th</sup> and 9<sup>th</sup> business day of March, June, September, December. All the subscription and/or redemption of units shall be transacted based on the prevailing bid price as at the valuation day after the non-dealing days.

When dividend distributions are declared and paid out with respect to the ILP Sub-Fund, the net assets of the ILP Sub-Fund will reduce by an amount equivalent to the distributions declared. This will be reflected as a reduction in the unit price.

Expenses of the ILP Sub-Fund will be deducted from the net asset value of the fund.

## 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(s) 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.

### Equity Risk

The value of the equity securities which the ILP Sub-Fund invests directly in or through Underlying Fund(s), 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(s) will have an impact on the value of the equity securities acquired. The value of the ILP Sub-Fund and the Underlying Fund(s) 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(s) 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(s) 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(s) 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(s) 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(s) 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(s) 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(s) 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(s) 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(s) 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 respective underlying funds' ability to acquire or dispose of securities at the price and time it desires.

#### 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(s), 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 or through Underlying Fund(s), therefore will depend in part on the ability of the Manager of the ILP Sub-Fund or the Underlying Fund(s) 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(s), 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 or through Underlying Fund(s), therefore will depend in part on the ability of the Manager of the ILP Sub-Fund or the Underlying Fund(s) 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.

#### Distressed Debt Securities

The ILP Sub-Fund and/or the Underlying Fund(s) may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in insolvency or other reorganisation and liquidation proceedings. These assets involve a high risk of capital loss, uncertainty of interest payments and can suffer from poor liquidity.

#### Stock Connect

The ILP Sub-Fund and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 Underlying 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 Underlying 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 Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying 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 and the Underlying Fund may also suffer substantial losses if there is insufficient QFII quota allocated for the ILP Sub-Fund and the Underlying Fund to make investments, the approval of the QFII is being revoked/terminated or otherwise invalidated as the ILP Sub-Fund and the Underlying 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).

#### 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.

#### Dividend Distribution Risk

Dividends from the Underlying Fund(s) may be adversely affected by (amongst others) investee entities suffering unexpected losses and/or paying lower than expected dividends. AIA Singapore intends to distribute dividends from the income and/or net realised gains of the ILP Sub-Fund, and AIA Singapore maintains the discretion to distribute dividends out of capital. Where dividend distributions are made out of the capital, it may lead to a reduction in investor's original investment and may also result in reduced future returns to the investor.

### EXPENSE RATIO

The expense ratio for the period 1 January 2021 to 31 December 2021 is 1.47%.

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 the ILP Sub-Underlying 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	AIA Investment Funds – AIA Diversified Fixed Income Fund	AIA Investment Funds – AIA Equity Income Fund	AIA Investment Funds – AIA US High Yield Bond Fund
Turnover ratio	43.25%*	813.58%*	67.75%*

\* Unaudited as at 31 December 2021 as per Luxembourg calculation methodology

## SOFT DOLLAR ARRANGEMENT

### AIA Investment Management Private Limited

In the management of the Sub-Fund and Underlying Fund(s), the 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 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 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 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

### BlackRock Financial Management, Inc.

The Sub-Manager shall not enter into any Soft Commission Arrangements involving, or on behalf of, the Underlying Fund(s), except with the prior written consent of the Manager and subject to the conditions set out by the Manager. Once consent has been received, the Sub-Manager agrees:

- (i) to comply with all applicable Laws and industry standards on soft-dollars; and
- (ii) not to accept or enter into Soft Commission Arrangements with respect to any Underlying Fund(s) unless such Soft Commission Arrangements would assist the Sub-Manager in its management of an Underlying Fund(s)

In the management of the Underlying Fund(s), 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 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.

### PIMCO Asia Pte Ltd

The Sub-Manager shall not enter into any Soft Commission Arrangements involving, or on behalf of, the Sub-Fund(s), except with the prior written consent of the Investment Manager and subject to the conditions as set out in the paragraph below. Once consent has been received, the Sub-Manager agrees:

- (i) to comply with all applicable Laws and industry standards on soft-dollars;
- (ii) to disclose in advance such transactions;
- (iii) the transactions are designed to enhance the quality of the service provided and the best interests of the Fund are not affected; and
- (iv) not to accept or enter into Soft Commission Arrangements with respect to any Sub-Fund unless such Soft Commission

Arrangements would assist the Sub-Manager in its management of a Sub-Fund, provided that:

- (a) the Sub-Manager shall at all times comply with the standard of best execution; and
- (b) no unnecessary trades are entered into in order to qualify for such Soft Commission Arrangements

Soft Commission Arrangements referred to above shall be subject to the following conditions:

- (i) the Sub-Manager will act, at all times, in the best interest of the Fund, the relevant Sub-Fund and the Management Company when entering into Soft Commission Arrangements;
- (ii) the research services provided will be in direct relationship to the activities of the Sub-Manager;
- (iii) brokerage commissions on portfolio transactions for the relevant Sub-Fund will be directed by the Sub-Manager to broker-dealers that are entities and not to individuals; and
- (iv) the Sub-Manager will provide reports to the Investment Manager with respect to Soft Commission Arrangements including the nature of the services it receives.

Currently, PIMCO Asia Pte Limited does not engage in any soft dollar commission arrangements.



Wellington Management Company, LLP

In the management of the Underlying Fund(s), 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 the Sub-Manager leverages soft dollars for research only. The Sub-Manager considers Analysis, Price Information, Performance Measurement and Portfolio Valuation products part of our market data program. All market data services are paid hard dollar by the Sub-Manager. The Sub-Manager does not leverage soft dollars to pay for any administrative services.

### **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.

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The AIA Global Dynamic Income 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.