

AIA Growth Fund (the “ILP Sub-Fund”)



**HEALTHIER, LONGER,
BETTER LIVES**

Fund Summary (IFPS)
Prepared on June 2021

AIA GROWTH FUND (the “ILP Sub-Fund”)

FUND FACTS

Manager of ILP Sub-Fund	AIA Investment Management Private Limited
Inception Date	12 September 1995
Annual Management Fee ¹ (p.a.)	1.25% (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 – Country – Singapore

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 January 2021)

Annualized Returns	1 year	3 years	5 years	10 years	Since Inception
AIA Growth Fund	-1.44%	-0.34%	5.87%	2.39%	4.38%
Benchmark [^] : 70% MSCI Singapore & 30% Markit iBoxx SGD Overall Index TR (with effect from 4 January 2021)	-1.51%	0.16%	6.06%	3.01%	3.54%

[^]Previous Benchmarks:

Inception to December 1997 - 80% Customised Equity Index (80% SESALL + 20% MSCI Singapore) 20% 1 month SIBOR (mid)

January 1998 to August 1998 - 50% MSCI Singapore + 30% MSCI Malaysia (SGD) + 20% 1 month SIBOR (bid)

September 1998 to November 1999 - 80% MSCI Singapore + 20% 1 month SIBOR (bid)

December 1999 to April 11, 2001 - 80% SES All Index + 20% 1 month SIBOR (bid)

April 12, 2001 to 30 June 2006 - 70% SES All Index (Price Return) + 30% JP Morgan Singapore Government Bond Index All

1 July 2006 to 23 October 2014 - 70% FTSE AW Singapore Total Return Index & 30% JP Morgan Sing Govt Bond Index All

24 October 2014 – 3 January 2021 - 70% MSCI Singapore & 30% JP Morgan Sing Govt Bond Index All

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

Notes:

- 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.
- Past performance of an ILP Sub-Fund is not necessarily indicative of its future performance.
- 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

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“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 is a balanced fund and is managed with the objective of achieving medium to long-term capital appreciation by investing primarily in Singapore equities (Singapore-domiciled companies listed on/outside Singapore stock exchange) and primarily in high credit quality Singapore dollar denominated fixed income instruments issued by Singapore and non-Singapore entities.

Approximately 70% of the fund is invested in equities and 30% in fixed income securities, although this asset mix may vary, depending on market conditions. It may also invest up to 10% of the equities portfolio in Asia (excluding Singapore) equities.

INVESTMENT APPROACH OF ILP SUB-FUND

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For the equities portfolio:

The investment approach is fundamentals and valuation focused where well-managed businesses with sustainable competitive advantage that are mispriced relative to their intrinsic value are sought. The Manager believes superior and sustainable investment performance can be achieved through its ability to understand and assess domestic market factors by leveraging on the group’s regional presence. It invests primarily in Singapore equities (Singapore-domiciled companies listed on/outside Singapore stock exchange) and may also invest up to 10% of the equities portfolio in Asia (excluding Singapore) equities.

For the fixed income portfolio:

The fixed income allocation of the ILP Sub-Fund is invested mainly 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.

The Fund will invest based on eligible securities stipulated in the CPF Investment Guidelines and the Code on Collective Investment Schemes (“Code”). The investment process is a combination of bottom-up research with top-down analysis of the global environment.

INFORMATION ON THE MANAGER OF ILP SUB-FUND

The Manager of AIA Growth 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 2020, AIA Group had USD 251.39 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.

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 indicative of 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 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 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 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 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 invest 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 invest 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 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 invest 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 the 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 are computed in Singapore Dollars, whereas certain securities which the ILP Sub-Fund invest 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 invest in will have an impact on the value of the units.

The investments of the ILP Sub-Funds may 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 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 is 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 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 2020 to 31 December 2020 is 1.27%.

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 2020 is 96.15%.

SOFT DOLLAR ARRANGEMENT

In the management of the Fund, the Manager may enter into commission sharing agreement with brokers who execute transactions on behalf of the Fund in accordance with applicable regulations. At AIA, Commission Sharing Agreement (“CSA”) mean arrangements where a part of broker’s commission is used to pay for “CSA-funded” services in addition to execution. “CSA” commission relates to services to facilitate portfolio management including but not limited to research and advisory services; portfolio analyses, including valuation and performance; market analyses; data and quotation services; computer hardware and software or any other information facilities to the extent that they are used to support investment decision making process, the giving of advice, or the conduct of research or analysis. The Manager may engage in CSA subject to the requirements below and any relevant regulations that may apply. The Manager must be able to demonstrate that the CSA assist in the provision of investment services to its clients and that the 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 enter into unnecessary trades on behalf of their clients to achieve a sufficient volume of transactions to qualify for CSA.

Requirements

a) For the avoidance of doubt, the Manager shall not use any broker’s commission to pay for any of the following items:

- travel;
- accommodation;
- entertainment;
- general administrative services or goods;
- general office equipment or premises;
- membership fees; and
- employee salaries.

b) The Manager shall not receive any direct or indirect monetary payments from any broker.

c) The Manager may enter into CSA subject to the following conditions:

- Notification is provided to the client; and
- Written records are kept regarding use of CSA-funded services.

The Manager manages investment portfolios of its clients and if it uses a part of broker’s commission to pay for “CSA-funded” services, AIAIM shall, in addition to the requirements set out above and any local relevant regulations that may apply, ensure that:

- such CSA-funded services are of demonstrable benefit to its clients;
- it has received consent from its clients in writing concerning the receipt of such CSA-funded services;
- the brokerage rates to be paid by it for CSA-funded services are not in excess of customary full-service brokerage rates.
- the payment of CSA-funded services is reported to clients at least on an annual basis.
- total amounts of execution and research spend should be reported to clients at least annually.

d) Formal Broker Review

The Manager shall adopt a formal broker evaluation process which rates and ranks the quality of sell-side research and broker services on a regular basis, based on the following evaluation metrics:

- Quality of research and alpha-generating stock recommendations;
- Quality and timeliness of research services (including analyst meetings, calls, bespoke requests);
- Access to corporates and conferences;
- Service quality of sales team;
- Placement capability for deals and blocks;
- Other relevant services;

Where commission unbundling has not taken place, the execution capability of the execution brokers should be included as part of the evaluation metrics in the Formal Broker Review by the Head of Trading. In such cases, factors including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order, have to be taken into account.

Where commission unbundling has taken place, (i.e. separation of execution services from research services), the execution capability of execution brokers should be reviewed by the Head of Trading. When assessing execution capability, the following factors have to be taken into account: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

e) Rebates and Other Fees

Rebates to AIAIM on commissions are prohibited unless they are disclosed and passed on to AIAIM's clients.

The receipt of other fees by AIAIM is prohibited unless the practices of receiving other fees has been disclosed to AIAIM's client and the client has not objected.

The AIA Growth 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.

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.