

# AIA India Equity Fund (the “ILP Sub-Fund”)



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Fund Summary (IFPS)  
Prepared on March 2019

## AIA INDIA EQUITY FUND (the “ILP Sub-Fund”)

### FUND FACTS

|   |  |
|---|--|
| Manager of ILP Sub-Fund                   | PineBridge Investments Singapore Limited |
| Underlying Fund                           | PineBridge India Equity Fund             |
| Country of Domicile of Underlying Fund    | Ireland                                  |
| Manager of Underlying Fund                | PineBridge Investments Ireland Limited   |
| Inception Date                            | 10 August 2005                           |
| Annual Management Fee <sup>1</sup> (p.a.) | 1.50% (max 3.00%) of its Net Asset Value |
| Source of Fund                            | Cash and SRS                             |
| Fund Risk Classification                  | Higher Risk                              |

<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 December 2018)

| Annualized Returns             | 1 year | 3 years | 5 years | 10 years | Since Inception |
|--------------------------------|--------|---------|---------|----------|-----------------|
| AIA India Equity Fund          | -9.03% | 4.64%   | 15.81%  | 13.07%   | 9.72%           |
| Benchmark:<br>MSCI India Index | -5.46% | 6.80%   | 9.74%   | 10.04%   | 6.71%           |

#### 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

This fund seeks to achieve long-term capital growth principally from a portfolio of equity and equity-related securities of companies listed on stock exchanges in India or closely related to the economic development and growth of India.

### INVESTMENT APPROACH OF ILP SUB-FUND

The ILP Sub-Fund follows the investment approach of the underlying fund of PineBridge India Equity Fund as the ILP Sub-Fund feeds 100% into the underlying fund.

### INVESTMENT APPROACH OF UNDERLYING FUND

The Fund seeks to provide long-term capital appreciation by investing in equity and equity-related securities of companies listed on stock exchanges in India or closely related to the economic development and growth of India.

The Fund will invest (either directly or through the Mauritian subsidiary for efficient portfolio management) at least two-thirds of the Fund's total assets in equities and equity-related securities (excluding convertibles and bonds with warrants attached) of issuers domiciled in or exercising the predominant part of their commercial activities in India. The remaining one-third assets of the Fund may be invested in transferable securities not meeting the above requirements. The Fund may use financial derivative instrument ("FDI") for hedging purposes only. It will not use FDI extensively for any purpose. The Fund engages in forward foreign exchange contracts for hedging purposes, to alter the currency exposure of the underlying assets and may also hedge currency exchange risk by using FDI.

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

PineBridge Investments Singapore Limited ("PineBridge Singapore") was incorporated in 1996 to undertake investment activities in the region, covering developed and emerging market equities and bonds. As at 31 December 2017, it had responsibility for the investment of assets in excess of SGD2.22 billion. PineBridge Singapore is licensed and regulated by the Monetary Authority of Singapore to carry out fund management activities, and has managed collective investment schemes and/or discretionary funds in Singapore since 1998.

The Fund may be terminated by the Trustee if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee provided that such approval shall not be unreasonably withheld) or if a receiver is appointed over any of their assets or a judicial manager is appointed in respect of the Manager or the Manager ceases to carry on business.

#### **INFORMATION ON THE MANAGER OF UNDERLYING FUND**

PineBridge Investments Ireland Limited ("PineBridge Ireland") is a wholly-owned subsidiary of PineBridge Investments, L.P. (which is a majority owned by the Pacific Century Group ("PCG")). PCG is an Asia-based private investment group established in 1993 by Mr. Li Tzar Kai, Richard. PCG has interests in infrastructure, property and other investments mainly in the Asia-Pacific region, including Singapore, Hong Kong and Japan.

PineBridge Ireland, a limited liability company incorporated in Ireland on 25 May 1989, has an authorised share capital of USD1,000,000 of which USD368,513 divided into 368,513 ordinary shares of USD1 each, are issued and fully paid up. PineBridge Ireland has been managing collective investment schemes and other collective investment vehicles since 1989. The Manager is licensed and regulated by the Central Bank of Ireland.

PineBridge Ireland has been appointed to manage the PineBridge Global Funds and each of its sub-funds pursuant to the trust deed of PineBridge Global Funds. PineBridge Ireland, on behalf of PineBridge Global Funds, shall act as global distributor of units and provide unitholders with unitholder servicing and maintenance services.

The Fund may be terminated by the trustee if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the trustee) or ceases business or becomes (in the reasonable judgment of the trustee) subject to the de facto control of some corporation or person of whom the trustee does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies Act, 2014 as amended or if the Manager has ceased business.

PineBridge Ireland has appointed PineBridge Investments Asia Limited to be the investment manager of PineBridge India Equity Fund, a sub-fund under PineBridge Global Funds.

#### PineBridge Investments Asia Limited

PineBridge Investments Asia Limited ("PineBridge Asia") is incorporated in Bermuda and based in Hong Kong. PineBridge Asia is regulated by Hong Kong's Securities and Futures Commission and is a wholly-owned subsidiary of PineBridge Investments, L.P.. PineBridge Asia has been managing funds since 1987.

In the event that PineBridge Asia goes into liquidation, the Underlying Manager may terminate its obligations towards PineBridge Asia as an investment manager of the Underlying Fund immediately and appoint a new investment manager, the appointment of which is subject to approval or clearance by the relevant regulators.

PineBridge Asia is a member company of PineBridge Investments. PineBridge Investments provides investment advice and markets asset management products and services to its clients globally. It has a global presence with offices located in 21 around the world, with USD \$90.9 billion in assets under management as of 30 September 2018. PineBridge Investments is a leading asset manager with long-term track records across listed equity, fixed income and alternative investments strategies, and a rich heritage managing assets for one of the world's largest insurance and financial services companies.

#### **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.

#### 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 charges imposed by the authorities in that market, including taxation levied by withholding at source.

### EXPENSE RATIO

The expense ratio for the period 1 January 2018 to 31 December 2018 is 1.72%.

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

The unaudited turnover ratio of the Underlying Fund for the one year period ending 30 June 2018 is 12.56%.

### SOFT DOLLAR ARRANGEMENT

The Underlying Manager and its investment managers may utilise brokers with whom soft commission arrangements are in place. A report thereon will be included in the PineBridge Global Funds' annual and semi-annual reports to the extent that PineBridge Global Funds' brokerage commissions are utilised to satisfy any soft commission obligations. Any such arrangements will provide for best execution and any goods and services received will be of a type which assists in the provision of investment services to PineBridge Global Funds. Neither the Underlying Manager, its investment managers nor any of their connected persons will retain cash commission rebates.

### **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 India Equity 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.