

AIA International Health Care Fund (the “ILP Sub-Fund”)



**HEALTHIER, LONGER,
BETTER LIVES**

Fund Summary (IFPS)
Prepared on March 2019

AIA INTERNATIONAL HEALTH CARE FUND (the “ILP Sub-Fund”)

FUND FACTS

Manager of ILP Sub-Fund	AllianceBernstein (Singapore) Ltd.
Underlying Fund	AB SICAV I - International Health Care Portfolio (“Luxembourg IHCP”)
Country of Domicile of Underlying Fund	Luxembourg
Manager of Underlying Fund	AllianceBernstein L.P
Inception Date	12 March 2001
Annual Management Fee ¹ (p.a.)	1.75% (max 3.00%) of its Net Asset Value
Source of Fund	Cash & SRS
Fund Risk Classification	Higher Risk

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

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

PAST PERFORMANCE (as at 31 December 2018)

Annualized Returns	1 year	3 years	5 years	10 years	Since Inception
AIA International Health Care Fund	6.33%	6.12%	11.54%	10.05%	3.97%
Benchmark: MSCI World Health Care Index	4.55%	3.04%	8.48%	9.80%	2.93%

Notes:

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

INVESTMENT OBJECTIVE OF ILP SUB-FUND

This fund seeks to achieve long-term capital appreciation through investments on a worldwide basis in equity securities of companies that are engaged in the health care and health science industries. A substantial portion of its portfolio will typically be invested in U.S. companies. Through a bottom-up selection process, the team attempts to determine market leaders with superior research, financial controls and marketing capabilities.

INVESTMENT APPROACH OF ILP SUB-FUND

The ILP Sub-Fund follows the investment approach of the underlying fund of AB SICAV I – International Health Care Portfolio (“Luxembourg IHCP”) as the ILP Sub-Fund feeds 100% into the underlying fund.

INVESTMENT APPROACH OF UNDERLYING FUND

Description of Investment Discipline and Processes

In seeking to achieve this investment objective, the Investment Manager, AllianceBernstein L.P. expects that at any time at least 80% of Luxembourg IHCP's total assets will be invested in securities issued by companies principally engaged in health care and health care-related industries ("Health Care Industries") (companies principally engaged in the discovery, development, provision, production or distribution of products and services that relate to the diagnosis, treatment and prevention of diseases or other medical disorders), and in no case will the amount of Luxembourg IHCP's total assets invested in such securities be less than two-thirds of Luxembourg IHCP's total assets.

Luxembourg IHCP seeks investments in both new, smaller and less seasoned companies and well-known, larger and established companies. Whenever possible, investments in new, smaller or less seasoned companies will be made with a view to benefiting from the development and growth of new products and markets in Health Care Industries. Investments in these companies may offer more reward but may also entail more risk than is generally true of larger, established companies.

In implementing its policies, Luxembourg IHCP invests in a global portfolio of securities of companies selected for their capital appreciation opportunities. The Investment Manager adjusts Luxembourg IHCP's exposure to particular national economies based on its perception of the most favorable markets and issuers. The percentage of Luxembourg IHCP's assets invested in securities of companies in a particular country or denominated in a particular currency varies in accordance with the Investment Manager's assessment of the appreciation potential of such securities and the strength of that currency.

Luxembourg IHCP will invest in a diversified global portfolio of government securities and securities issued by companies as the Investment Manager considers most advantageous. Luxembourg IHCP is not subject to any limitation on the portion of its total assets that may be invested in any one country or region.

Luxembourg IHCP seeks primarily to take advantage of capital appreciation opportunities identified by the Investment Manager in emerging technologies and services in Health Care Industries by investing in companies that are expected to profit from the development of new products and services for these industries. Examples of such emerging technologies and services include:

- New methods for administering drugs to a patient, such as surgical implants and skin patches that enhance the effectiveness of the drugs and may reduce patient side effects by delivering the drugs in precise quantities over a prolonged time period or by evading natural body defense mechanisms which delay the effect of the drugs;
- Developments in medical imaging such as the application of computer technology to the output of conventional x-ray systems that allow for cross-sectional images of soft tissue and organs (CT scanning) and continuous imaging (digital radiography) as well as more advanced nuclear medicine, ultrasound and magnetic resonance imaging (MRI);
- Advances in minimally invasive surgical techniques, such as angioplasty and related technologies for diseased blood vessels and laser beams for the eye, general and cardiovascular surgery, which provide greater effectiveness, lower cost and improved patient safety than more traditional surgical techniques;
- New therapeutic pharmaceutical compounds that control or alleviate disease, including prescription and non-prescription drugs and treatment regimes for conditions not controlled, alleviated or treatable by existing medications or treatments and chemical or biological pharmaceuticals for use in diagnostic testing;
- Advances in molecular biology such as signal transduction, cell adhesion and cell to cell communication which have facilitated a rapid increase in new classes of drugs. These have included monoclonal antibodies, bio-engineered proteins and small molecules from novel synthesis and screening techniques;
- Genomics, which allows scientists to better understand the causes of human diseases, and in some cases has led to the manufacture of proteins for use as therapeutic drugs;
- Gene chips and other equipment that provides for the screening, diagnosis and treatment of diseases;
- The introduction of large scale business efficiencies to the management of nursing homes, acute and specialty hospitals as well as free-standing outpatient facilities, surgical centres and rehabilitation centres;
- Adaptations of microprocessors for use by pharmaceutical manufacturers, hospitals, doctors and others in Health Care Industries to increase distribution efficiency;
- Health care delivery organizations that combine cost effectiveness with high quality medical care and help address the rising cost of health care; and
- The sale of prescription drugs and other pharmaceuticals to consumers via the Internet.

Luxembourg IHCP may also include companies that provide traditional products and services currently in use in Health Care Industries and that are likely to benefit from any increases in the general demand for such products and services. The following are examples of the products and services that may be offered by companies in Health Care Industries:

- Drugs or Pharmaceuticals, including both ethical and proprietary drugs, drug administration products and pharmaceutical components used in diagnostic testing;
- Medical Equipment and Supplies, including equipment and supplies used by health service companies and individual practitioners, such as electronic equipment used for diagnosis and treatment, surgical and medical instruments and other products designed especially for Health Care Industries;
- Health Care Services, including the services of clinical testing laboratories, hospitals, nursing homes, clinics, centers for

convalescence and rehabilitation, and products and services for home health care; and

- Medical Research, including scientific research to develop drugs, processes or technologies with possible commercial application in Health Care Industries.

Other Investment Policies

Luxembourg IHCP is not subject to any limitation on the portion of its total assets that may be invested in any one country or region. Luxembourg IHCP intends to spread investment risk and expects to invest in equity securities of issuers domiciled in both developed and emerging market countries. The Investment Manager, in its discretion, will determine which countries constitute "emerging market countries." In general, emerging market countries will be countries considered by the global financial community to be developing countries, including countries from time to time included in the MSCI Emerging Markets IndexSM, a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets. The Investment Manager's determination of which countries constitute emerging market countries may change from time to time.

As a temporary defensive measure or to provide for redemptions, Luxembourg IHCP may, without limit, hold cash, cash equivalents, or short-term fixed-income obligations, including money market instruments.

Luxembourg IHCP may invest up to 10% of its net assets in securities for which there is no ready market. Luxembourg IHCP may therefore not be readily able to sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. Efficient portfolio management and hedging techniques may include use of exchange-traded and OTC derivative instruments, including swaps, options, futures and currency transactions.

INFORMATION ON THE MANAGER OF ILP SUB-FUND

The Manager of the AIA International Health Care Fund is AllianceBernstein (Singapore) Ltd. ("ABSL"). The country of domicile of the Manager is Singapore. The Manager has been managing collective investment schemes and discretionary funds since 1995.

In the event that ABSL were to be subjected to undergo liquidation, AIA would be entitled to terminate the agreement with ABSL immediately. Under this scenario, the assets in the AllianceBernstein International Health Care Fund are protected, because the Fund's assets are kept with the Fund's Custodian and segregated from AllianceBernstein's corporate assets. Accordingly, the liquidation of ABSL or the AllianceBernstein Group will not have any impact on the Fund's assets.

In the event of the termination of the IMA between AIA and ABSL, AIA in its capacity as the Issuer can exercise the option to redeem the assets under the AllianceBernstein International Health Care Fund on behalf of its investors (AIA International Health Care Fund).

INFORMATION ON THE MANAGER OF UNDERLYING FUND

AllianceBernstein L.P. ("ABLP") is the investment manager of the Luxembourg-registered AB SICAV I - International Health Care Portfolio which the AIA International Health Care Fund invests all or substantially all of its assets into. The Investment Manager has been managing collective investment schemes and discretionary funds since 1971.

ABLP is a leading global investment management firm with approximately US\$550 billion in assets under management as of 30 September 2018. ABLP is based in New York and is present in 51 cities and 25 countries, including Germany, France, England, Canada, Australia, Japan, Switzerland, Luxembourg, Singapore, Korea, Taiwan and Brazil.

Bankruptcy of the Management Company:

The duties of the Management Company shall cease where the Management Company has been declared bankrupt.

However the SICAV will not automatically be put in liquidation and will have the option to appoint another Management Company.

Finally please note that as the assets of the Funds are held by the Custodian, the bankruptcy of the Management Company should not affect the assets of the funds.

Bankruptcy of Investment Manager:

As the investment Manager has been appointed by the Management Company (through a delegation of function), in the case of the bankruptcy of the Investment Manager, the Management Company may either decide to (i) appoint another Investment Manager, (ii) manage the Fund itself or (iii) liquidate 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.

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 2.05%.

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 audited turnover ratio of the Underlying Fund for the one year period ending 31 May 2018 is 28.99%.

SOFT DOLLAR ARRANGEMENT

AllianceBernstein L.P., the Investment Manager of Luxembourg IHCP, does receive and has entered into soft dollar commission arrangements with brokers relating to portfolio of the underlying fund that invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received.

The soft commission arrangements were entered into on the basis that the execution of transactions on behalf of the underlying fund will be consistent with best execution standards and the brokerage rates will not be in excess of customary institutional full-service brokerage rates. The goods and services received include specialist industry, company and consumer research, portfolio and market analysis and computer software used for the delivery of such services. The nature of the goods and services received is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the underlying fund and may contribute to an improvement in the underlying fund's performance. For the avoidance of doubt, such goods and services do not include travel, accommodations, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Disclosure of soft dollar commission arrangements will be made in the periodic reports of the underlying fund.

Risk Disclosure Statement for Funds

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

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

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

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

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

In the context of the above, a "Fund" means a collective investment scheme within the meaning of the Securities and Futures Act (Cap. 289), Singapore and the Notice No. MAS 307 applicable to Investment-Linked Policies issued by the Monetary Authority of Singapore.

The AIA International Health Care 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.