

# AIA Portfolio 100 (the “ILP Sub-Fund”)



**HEALTHIER, LONGER,  
BETTER LIVES**

Fund Summary (IFPS)  
Prepared on April 2021

## AIA PORTFOLIO 100 (the “ILP Sub-Fund”)

### FUND FACTS

Manager of ILP Sub-Fund	Allianz Global Investors Singapore Limited
Underlying Fund	Allianz Global Investors Premier Funds – Global High Payout Fund
Country of Domicile of Underlying Fund	Singapore
Manager of Underlying Fund	Allianz Global Investors Singapore Limited
Inception Date	8 March 2002
Annual Management Fee <sup>1</sup> (p.a.)	1.50% (max 2.50%) of its Net Asset Value
Source of Fund	Cash, SRS & CPFIS OA
CPFIS Risk Classification	Higher Risk – Broadly Diversified

<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 Investments Products.

### PAST PERFORMANCE (as at 31 January 2021)

Annualized Returns	1 year	3 years	5 years	10 years	Since Inception
AIA Portfolio 100	3.54%	2.53%	5.83%	4.57%	1.75%
Benchmark <sup>^</sup> : 60% MSCI World + 40% Dividend Yield (MSCI World) (With effect from 1 July 2011)	7.79%	6.81%	7.64%	7.47%	4.74%

<sup>^</sup>Previous Benchmark:  
Inception to 30 June 2011 - MSCI AC World Free Index

<sup>\*</sup>The combined benchmark is reflective of the investment focus of the ILP Sub-Fund.

### 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 its future performance.

### INVESTMENT OBJECTIVE OF ILP SUB-FUND

This portfolio seeks to maximize long-term capital appreciation through investing in a globally diversified portfolio of equities. AIA Portfolio 100 aims to achieve this objective by pursuing a strategic asset allocation of 100% in equities.

### INVESTMENT APPROACH OF ILP SUB-FUND

The ILP Sub-Fund follows the investment approach of the underlying fund of Allianz Global Investors Premier Funds – Global High Payout Fund as the ILP Sub-Fund feeds 100% into the underlying fund.

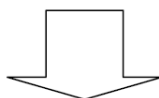
## INVESTMENT APPROACH OF UNDERLYING FUND

### Investment Focus and Approach

The Fund employs a distinctive two-part investment process:

- Global equities - the Fund will hold a diversified portfolio of global equities. In the equity selection process, the Sub-Manager, Allianz Global Investors GmbH, combines a proprietary rule-based equity selection model together with a fundamental company analysis in an attempt to identify the most attractive international investment opportunities. This research driven approach focuses on seeking equities that pay high dividend yields to generate current income from dividends on such equities. Equity exposure may also be constructed by the use of derivative strategies (e.g. long futures, long call options).
- Selling of call options - the Fund will employ an integrated strategy of selling covered call options on equities, baskets of equities or equity indices. The option premiums received represent additional earnings, helping to enhance the dividends payable to investors and to reduce overall portfolio risk.

<b>Equities sub-portfolio:</b> Disciplined Investment Process with qualitative and quantitative selection criteria  <b>Objective:</b> Buying equities with above-average dividend yield	+	<b>Options sub-portfolio:</b> Systematic selling of call options  <b>Objective:</b> Continuous option premium income generating a buffer to lower equities volatility, albeit forgoing additional capital gain above strike price plus premium
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<b>Allianz Global High Payout Fund</b>  – Total return from dividend income, option premiums and capital appreciation – Sustainable distributions – Typically lower portfolio volatility compared to an equity investment due to investing in a globally diversified portfolio of high yielding equities coupled with a steady flow of option premium income
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In employing the Fund's call option selling strategy, the Sub-Manager, Allianz Global Investors GmbH, will adopt the following:

- Systematic, multi-stage process for selecting attractive options.
- Valuations based, in particular, on technical indicators and fundamentals (e.g. volatility).
- Typically tenure of call options will be between 1 to 12 months in order to be able to react more flexibly to market conditions and to optimise the generation of additional earnings.
- Options on equities, baskets of equities or equity indices may be used.

#### What is a 'covered call option'?

A call option gives the holder the right to buy equity at a specific price (the strike price) at a future point in time. A covered call option is a call option that is sold on an equity that is held by the seller or on an equity index which is sufficiently correlated with a basket of equities held by the seller. If the call option is exercised, the seller of the option is covered because he/she holds the equity or the basket of equities (i.e. the liability on the call option is offset).

#### How does the selling of call options reduce the portfolio risk?

The selling of call options is intended to help the Fund outperform a direct investment in the underlying portfolio of equities in all but strong rising market scenarios. In exchange for its benefits of enhanced income and reduced overall portfolio risk, the fund gives up potential appreciation in the value of its portfolio of equities above the strike price. In a strong rising market, this call option strategy will result in the fund underperforming global equity markets albeit with positive returns.

There is no guarantee that the portfolio risk of the strategy is reduced. There is no guarantee that the Fund will outperform in all but a strong bull market. The Manager currently do not intend to carry out securities lending or repurchase transactions for the Fund but may in the future do so, in accordance with the relevant provisions of the Code and subject to the provisions of the CPF Investment Guidelines.

## INFORMATION ON THE MANAGER OF ILP SUB-FUND

The Manager of the ILP Sub-Fund are Allianz Global Investors Singapore Limited, whose registered office is at 79 Robinson Road #09-03 Singapore 068897.

The Manager is regulated by the Monetary Authority of Singapore. The Managers has managed collective investment schemes and discretionary funds in Singapore since 1999.

The Managers are part of Allianz Global Investors ("AllianzGI").

AllianzGI is a diversified active investment manager with total assets under management over EUR 546 billion as of 30 September 2020. Its teams can be found in 25 locations worldwide, with a strong presence in the US, Europe and Asia-Pacific. With around 754 investment professionals and an integrated investment platform, it covers all major business centers and growth markets. AllianzGI's global capabilities are delivered through local teams to ensure best-in-class service.

The Managers and/or Investment Managers use a Custodian or a Trustee to safeguard the assets of the Funds and/or the Underlying Funds.

Securities held by the Custodian or the Trustee on behalf of the Fund will be segregated from the proprietary assets of the Custodian, Trustee, Managers or the Investment Managers (as the case maybe) which mitigates but does not exclude the risk of non-restitution of the assets in the case of the insolvency of the Custodian, Trustee, Manager and/or the Investment Manager.

#### INFORMATION ON THE MANAGER OF UNDERLYING FUND

Please refer to Information on the Manager of ILP Sub-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 changes imposed by the authorities in that market, including taxation levied by withholding at source.

## EXPENSE RATIO

The expense ratio for the period 1 January 2020 to 31 December 2020 is 1.75%.

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-Underlying 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 Underlying 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 31 December 2020 is 74.98%.

<b>SOFT DOLLAR ARRANGEMENT</b>
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The Manager may receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements will include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, 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 and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Manager will not accept or enter into soft-dollar commissions/arrangements unless:

- (i) such soft-dollar commissions/arrangements would reasonably assist it in the management of the Fund;
- (ii) best execution is carried out for the transactions; and
- (iii) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Allianz Global Investors GmbH does not receive any soft-dollar commissions in respect of the Allianz Global High Payout.

### **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 Portfolio 100 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.