

DESCRIPTION AND INVESTMENT OBJECTIVES

AIA - PHILAM LIFE ELITE CONSERVATIVE FUND – PESO

AIA - PHILAM LIFE ELITE BALANCED FUND – PESO

AIA - PHILAM LIFE ELITE ADVENTUROUS FUND – PESO

(THE “FUNDS”)

The Funds are segregated accounts offered as option to all AIA Philippines existing peso variable life insurance products.

All amounts net of applicable charges received by AIA Philippines in connection with the respective variable products may be placed in the Funds. The Funds will invest in shares of AIA Investment Funds (AIAIF), an Undertaking for Collective Investment in Transferable Securities (UCITS) in the form of an open-ended investment company with variable share capital (*Société d'investissement à capital variable*, or SICAV) and incorporated as an umbrella fund comprised of separate Sub-Funds.

Shares in AIAIF are shares in specific Sub-Funds which are denominated in US dollars. But since the Funds will be made available to AIA Philippines policyholders in Philippine pesos, all subscriptions and redemptions in AIAIF will be valued based on the foreign exchange closing rate of each valuation day. Any change in the foreign exchange rate will be embedded in the Net Asset Values of the Funds.

The objectives of the Funds are as follows:

AIA - PHILAM LIFE ELITE CONSERVATIVE FUND – PESO seeks to achieve long-term total return, which is a combination of capital growth and income, *with minimal risk* by investing in a portfolio comprising of *mostly bonds and a small proportion of equities*.

AIA - PHILAM LIFE ELITE BALANCED FUND – PESO seeks to achieve long-term total return, which is a combination of capital growth and income, *with moderate risk* by investing in a portfolio comprising of *equities and bonds*.

AIA - PHILAM LIFE ELITE ADVENTUROUS FUND – PESO seeks to achieve long-term total return, which is a combination of capital growth and income, *with higher risk* by investing in a portfolio comprising of *mostly equities and a small proportion of bonds*.

The Funds will be administered by AIA Philippines and AIA Investment Management Private Limited (AIAIM) and will be offered exclusively as fund options for AIA Philippines variable life products. The administration of the Funds shall be in accordance with the Investment Policy of the Funds at all times.

STATEMENT OF INVESTMENT POLICY

AIA - PHILAM LIFE ELITE CONSERVATIVE FUND – PESO

AIA - PHILAM LIFE ELITE BALANCED FUND – PESO

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(THE “FUNDS”)

1. ELIGIBLE INVESTMENTS

- 1.1 Collective Investment Scheme;
- 1.2 Cash & Cash Equivalents;
- 1.3 Spot Foreign Exchange; and,
- 1.4 Derivatives, e.g., foreign exchange forwards.

2. INVESTMENT STRATEGY

The Funds seek to achieve their investment objectives by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities (including, but not limited to, common shares, preference shares, warrants, rights issues and depositary receipts (American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), fixed income and fixed income-related securities, money market instruments and cash.

Indirect exposure to these asset classes will be achieved primarily through investments in units or shares of AIA Investment Funds (AIAIF).

AIAIF is managed by AIA Investment Management Private Limited (AIAIM) and reputable third-party sub-investment managers with proven track records and a disciplined, systematic security selection approach to deliver long-term capital growth.

3. PERMITTED ASSETS AND ALLOCATION

The Funds will invest up to 100% of its NAV in Eligible Investments (Section #1) based on the following strategic asset allocation:

ASSET CLASS	AIA – PHILAM LIFE ELITE CONSERVATIVE FUND – PESO	AIA – PHILAM LIFE ELITE BALANCED FUND – PESO	AIA – PHILAM LIFE ELITE ADVENTUROUS FUND – PESO
Equity and equity-related securities	30%	60%	90%
Fixed income and fixed income-related securities	70%	40%	10%
Money market instruments, cash and near-cash instruments	0%	0%	0%
	100%	100%	100%

Indirect exposure to these asset classes will be achieved primarily through investments in units or shares in Sub-Funds as follows:

ASSET CLASS	SUB-FUNDS	CCY	SUB-INVESTMENT MANAGER	OBJECTIVE
Fixed income and fixed income-related securities	AIA Diversified Fixed Income Fund	USD	BlackRock Financial Management, Inc.	Aims to maximize long-term return by investing in a diversified fixed income portfolio consisting primarily of investment grade bonds and other debt securities denominated in USD.
Equity and equity-related securities	AIA Global Quality Growth Fund	USD	Baillie Gifford Overseas Limited	Aims to provide returns comprising of capital growth and dividend income over the long term by investing primarily in global equities and equity-related securities worldwide.
	AIA New Multinationals Fund	USD	Wellington Management International Ltd.	Aims to generate long-term total returns through a concentrated portfolio of global equities and equity-related securities.
	AIA Global Multi-factor Equity Fund	USD	BlackRock Financial Management, Inc.	Aims to provide long-term investment growth through exposure to a diversified portfolio of global equities and equity-related securities that exhibit various investment factor characteristics.
	AIA Asia (Ex-Japan) Equity Fund	USD	AIA IM Singapore	Provide long-term capital appreciation by investing in equity securities of Asian (ex Japan) companies.
	AIA Global Select Equity Fund	USD	Capital International, Inc.	Aims to achieve long-term growth of capital by investing in common stocks of companies located around the world.

The Funds' bond strategy is meant to generate sustainable returns through diversified exposures globally. The equity strategy has global outreach with active management across growth or value or momentum styles that support long-term superior growth. Active asset allocation strategies, formulated by a disciplined investment process, will produce excess return and manage volatilities in the short-term.

4. FUND RESTRICTIONS

- 4.1 The Funds may engage in FX forwards for the purpose of servicing customers' requirements.
- 4.2 The Funds shall not engage in both covered and uncovered short positions.
- 4.3 The Funds shall not engage in margin transactions.
- 4.4 The Funds shall not engage in Borrowing.
- 4.5 The Funds shall not engage in Cross Trades.
- 4.6 The Funds shall not engage in Securities Lending.
- 4.7 The Funds shall not be committed to any obligation to underwrite an issue or offer for sale of securities.
- 4.8 The Funds shall comply with AIA Group's ESG restrictions with respect to the implementation of investment strategies.

5. INVESTOR PROFILE

The Fund is targeted for customers who have an appetite for minimal to high risk, and with a long-term investment horizon.

6. RISK FACTORS

- 6.1 The Net Asset Values per share of the Funds may fall or rise.
- 6.2 The customer may not recover the full amount invested in the Funds.
- 6.3 Even if the Funds closely track their benchmarks, performances may be affected by extraneous factors in the global financial markets.
- 6.4 The performances of the Funds are subject to risks related to holding fixed income securities and equities, as well as interest rate risk, credit risk, market risk, and foreign exchange risk.
- 6.5 This list of risk factors does not purport to be an exhaustive list relating to investing in the Funds.

7. FUND PERFORMANCE

Performance review for consistency with fund targets and fund reviews for deviations from the investment objective and company and regulatory guidelines will be conducted semi-annually.

8. FUND ADMINISTRATION

AIA Philippines' team of professionals who have over 30 years of combined experience and expertise in the field of Investments will administer the Funds along with AIAIM. AIA Philippines is owned and controlled by AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group in the world.

AIAIM (Singapore Company Registration No. 201616304H) is a private company with limited liability incorporated under the laws of the Republic of Singapore on 15 June 2016 whose registered office is at 1 Robinson Road, AIA Tower #08-00, Singapore 048542. The Investment Manager is, amongst others, licensed by the Monetary Authority of Singapore to carry on the regulated activities of fund management and dealing in capital markets products. It is wholly owned by AIA Investment Management Holding Company Private Limited, which is, in turn, wholly owned by AIA Group Limited.

9. CHARGES AND EXPENSES

The Funds will pay a Management Fee which will be embedded in the daily calculation of the Net Asset Value of the Funds. As the Funds will be investing in shares of Sub-Funds managed by AIA Investment Management Private Limited and third-party sub-investment managers, the Sub-Funds will be subject to their own management fees and fixed and variable expenses such as, but not limited to, operating expenses, fees, and taxes, among others. As such, the total charges and expenses are as follows:

Fund Name	Total		Grand Total
	Fixed	Variable*	
AIA - Philam Life Elite Conservative Fund – Peso	0.70%	0.80%	1.50%
AIA - Philam Life Elite Balanced Fund – Peso	1.00%	0.60%	1.60%
AIA - Philam Life Elite Adventurous Fund – Peso	1.25%	0.45%	1.70%

** These estimates or approximations of Variable Expenses are at their maximum.*

10. GENERAL PROVISIONS

Any specific investment goal or objective associated with the investment program being provided pursuant to the Investment Policy are targets only and AIA Philippines (the "Company") or its delegate shall not be liable for its failure or the delegate's failure to meet or outperform any investment goal or objective. Investments made on its behalf by the Company or any of its affiliates have the potential to lose not only profits (if any) but also the principal invested.

These investment guidelines apply at the time of purchase only, and failure to comply with any specific guideline or restriction contained herein because of market fluctuation, changes in the capital structure of the Fund, ratings agency or credit ratings changes or withdrawals or other events outside of the Fund's control or the delegate's control will not be deemed a breach of these investment guidelines.

The Company has full discretion to delegate any of its responsibilities, duties and authority set forth herein or otherwise to utilize the investment management services of any of its Affiliates, provided that the Company will be fully accountable for any acts or omissions of its Affiliates pursuant to such an arrangement, as if such acts or omissions were its own. The term "Affiliate" shall mean any entity that directly or indirectly through one or more intermediaries' controls is controlled by or is under common control with the Company.

11. PROCEDURE FOR CHANGING THE FUNDS' INVESTMENT POLICY

The Company reserves the right to change the above investment policy or any portion therein, in accordance with company policies and guidelines. Any amendment shall satisfy all regulatory requirements.