AIA Philippines Life and General Insurance Company Inc.

23rd Floor, 8767 AIA Tower (formerly Philam Tower)
Paseo de Roxas, Makati City,
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THIS FUND HIGHLIGHT SHEET IS AN IMPORTANT DOCUMENT.

- It highlights the key features and risks of this Variable Unit-Linked fund (VUL Fund).
- It is important to read this Fund Highlight Sheet before deciding whether to purchase this Variable Unit-Linked fund (VUL Fund).
- You should not invest in this Variable Unit-Linked fund (VUL Fund) if there is anything unclear about it or if you are not comfortable with the accompanying risks.

AIA GLOBAL DYNAMIC INCOME-PAYING FUND

[PHP and USD]

(the "VUL Fund")

	LAUNCH DATE	FIRST INCOME DISTRIBUTION DECLARATION
AIA Global Dynamic Income-Paying Fund – Peso	October 25, 2023	March 15, 2024
AIA Global Dynamic Income-Paying Fund – USD	October 19, 2026	March 2027

FUND OBJECTIVE

WHAT IS THE FUND OBJECTIVE OF THE VUL FUND?

The **AIA Global Dynamic Income-Paying Fund** seeks to provide regular target income and total return over the long term by investing in a variety of attractive income generating asset classes, including, but not limited to, fixed income securities, equities, covered call options and collective investments.

FUND MANAGER

WHO IS THE FUND MANAGER OF THE VUL FUND?

The **AIA Global Dynamic Income-Paying Fund** is an offshore fund managed by AIA Investment Management Private Limited (AIAIM), AIA Group's regional investment management and central trading hub. AIAIM is a wholly owned subsidiary of AIA Investment Management Holding Company Private Limited, which is incorporated and domiciled in Singapore. The ultimate parent company is AIA Group Limited, a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange.

Investments in this VUL Fund are subject to risks including the possible loss of the principal amount invested.

NOTWITHSTANDING THE INVESTMENT ASPECT FORMING AN INTEGRAL PART THEREOF, THIS VARIABLE UNIT-LINKED FUND (VUL FUND), WHICH FORMS PART OF THE VARIABLE LIFE INSURANCE POLICY, REMAINS ESSENTIALLY TO BE AN INSURANCE PRODUCT.

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FUND SUITABILITY

WHO IS THE VUL FUND SUITABLE FOR?

The **AIA Global Dynamic Income-Paying Fund** is **ONLY** suitable for investors who:

- Seek long-term capital growth and want to take advantage on the opportunity to receive regular payouts that can be used for other things that they have been planning for, or additional funds for health and/or retirement.
- Are informed and willing to take fluctuations in the value of their investment.

KEY FEATURES

WHAT ARE YOU INVESTING FOR?

- The VUL Fund seeks to provide regular target income and total return over the long term by investing in a variety of attractive income generating asset classes, including, but not limited to, fixed income securities, equities, covered call options and collective investments.
- The VUL Fund intends to distribute dividends on a quarterly basis. AIA Philippines intends to distribute dividends from the income and/or net realised gains of the VUL, and AIA Philippines maintains the discretion to distribute dividends out of capital.
- Both capital and dividend distributions are not guaranteed. AIA Philippines has the sole discretion to determine the dividend distribution rate and frequency of the distribution.
- There will be two business days of non-dealing during which the subscription and/or redemption of units cannot be carried out (including transactions such as fulfilling single premium payments, top-up premium requests, fund switch requests, partial withdrawal/ full surrender/ claim requests or your exercise of the free-look option which necessarily lead to the subscription or redemption of units). The non-dealing days will be in March, June, September, and December. All the subscription and/or redemption of units shall be transacted based on the prevailing unit price as at the valuation day after the non-dealing days.

INVESTMENT STRATEGY

WHAT IS THE INVESTMENT STRATEGY OF THE VUL FUND?

- The VUL Fund seeks to achieve its investment objective by obtaining direct or indirect exposure to equities and fixed income, which may include equity and equity-related securities, fixed income and fixed income-related securities, money market instruments and cash. Indirect exposure to these asset classes will be achieved through investments in units or shares of eligible collective investment schemes, including, but not limited to, the Underlying Funds, exchange traded funds and other index funds.
- The asset mix may vary, depending on market conditions. There will be periodic rebalancing to minimize deviation from the stated proportions set above.

UNDERLYING FUNDS

WHAT ARE THE UNDERLYING FUNDS OF THE VUL FUND?

The underlying funds of the **AIA Global Dynamic Income-Paying Fund** are the following AIA Investment Funds:

- AIA Investment Funds – AIA Diversified Fixed Income Fund
- AIA Investment Funds – AIA Global Corporate Bond Fund
- AIA Investment Funds – AIA US High Yield Bond Fund
- AIA Investment Funds – AIA Equity Income Fund

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PARTIES INVOLVED

WHO ARE YOU INVESTING WITH?

- Custodian of the VUL Fund: Citibank N.A Kuala Lumpur Branch.
- Manager of the VUL Fund: AIA Investment Management Private Limited (AIAIM) in Singapore.
- Manager of AIA Investment Funds: AIA Investment Management Private Limited (AIAIM) in Singapore.
- Sub-Manager(s)* of AIA Investment Funds: BlackRock Financial Management, Inc, M&G Investment Management Limited, PIMCO Asia Pte Ltd and Wellington Management Company, LLP.

  * Initial list of Sub-Managers under AIA Investment Funds for reference only and is not intended to be exhaustive.

INVESTMENT RESTRICTIONS

WHAT ARE THE INVESTMENT RESTRICTIONS OF THE VUL FUND?

- The Funds shall not engage in both covered and uncovered short positions.
- The Funds shall not engage in margin transactions.
- The Funds shall not engage in Borrowing.
- The Funds shall not engage in Cross Trades.
- The Funds shall not engage in Securities Lending.
- The Funds shall not be committed to any obligation to underwrite an issue or offer for sale of securities.
- The Funds shall comply with AIA Group's ESG restrictions with respect to the implementation of investment strategies.
- Spot Foreign Exchange transaction shall not be exploited.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

SALES CHARGE / PREMIUM CHARGE	Please refer to the Variable Life Insurance product that you have purchased or intend to purchase for details on the applicable premium charges.
SURRENDER / WITHDRAWAL CHARGE	Please refer to the Variable Life Insurance product that you have purchased or intend to purchase for details on the applicable surrender/ withdrawal charges.
FUND MANAGEMENT CHARGES	2.00% per annum of the Fund's net asset value (NAV).

VALUATION AND ASSESSMENT OF THE VUL FUND

WHAT IS THE DEALING FREQUENCY OF THE VUL FUND?

The Unit Price of an Investment Fund on a Valuation Date is determined by dividing the net asset value of the Investment Fund on the Valuation Date by the aggregate number of outstanding Units of the Investment Fund on the Valuation Date.

The performance of the investment funds associated with this insurance product is valued on a daily basis.

The Unit Prices of the Investment Fund/s are published weekly on major newspapers. You may also visit our website at www.aia.com.ph for the daily Unit Prices.

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DISTRIBUTION POLICY OF AIA GLOBAL DYNAMIC INCOME-PAYING FUND

PAY-OUTS	The AIA Investment Management (AIAIM) Singapore ("Fund Manager") and AIA Philippines ("AIA PH") intend to **distribute dividends from the income and/or net realised gains of the Fund**, and AIA Philippines maintains the discretion to distribute dividends out of capital. **Both capital and dividend distributions are not guaranteed.**
FREQUENCY OF PAY-OUTS	The Fund Manager and AIA PH **intend** to make a **quarterly pay-out.**
NON-DEALING DATES	**Non-dealing Dates are days where "buying" and "selling" of units to this Fund will be suspended**. **Non-dealing dates will be <u>one (1) banking day before the relevant Record Date and up to the Record Date</u>.** **Types of transaction suspended to the Fund during non-dealing dates are the following:** policy issuance, top-ups, switching, and/or withdrawals, claim requests or your exercise of the free-look option which necessarily lead to the subscription or redemption of units**.** If you have transaction application on non-dealing dates, **AIA Philippines will process the application after the non-dealing dates and the prevailing unit price will be used**.
RECORD DATE	Record Date will be the basis of entitlement to the Pay-out. **Record Date will be in the following months: March, June, September, and December**
DECLARATION DATE	The Fund Manager and AIA PH intend to declare the Pay-outs on the **third (3rd) banking days from the relevant Record Date**.
DISTRIBUTION DATE	Distribution of pay-out amount will be within **twenty (20) banking days from the relevant Record Date**. This shall be referred to as the "Pay-out Date". The Company reserves the right to change the Pay-out Date.
ENTITLEMENT TO PAY-OUT DISTRIBUTION	If you have invested in the Fund and **already have units in your policy before the Record Date, and as evidenced in our records**, you will be entitled to the Distribution of Pay-outs.
DETERMINING THE PAY-OUT AMOUNT	Pay-outs shall be **based on the outstanding units held by your Fund as of the relevant Record Date**. If you have any transactions (including surrender, withdrawal and switching) performed between the Record Date and Pay-out Date, you will be entitled to the unit value of the Fund based on the prevailing unit price.
MODE OF PAY-OUT	**Mode of Pay-out will be the following only:** - Credit-to-Account **It is important that you enroll your account during application** and update if necessary.

Notes:

1. The **distributed pay-outs will not be treated as withdrawal** to the policy.
2. There will be **no automatic reinvestment of the distributed pay-out**. If you wish to reinvest the distributed pay-out, you will need to apply for a Top-Up transaction and all usual process and charges will apply.
3. Partial Withdrawals and Cost of Insurance Charges (COIs) reduce your policy units. **In case your policy units depleted before the Record Date, your policy will automatically terminate and you will no longer be eligible to the distribution of Pay-out.**
4. **<u>The Distributed Pay-out will reduce the net asset of the fund. This reduction due to distribution of pay-out will be reflected on the unit price/NAVPU of the fund</u>.**
5. **<u>THE INVESTMENT RISKS ASSOCIATED WITH THIS FUND AND PRODUCT ARE TO BE BORNE SOLELY BY YOU AS THE POLICY OWNER</u>.**

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HISTORICAL DIVIDEND DISTRIBUTION

HOW HAS THE FUND'S DIVIDEND DISTRIBUTION PERFORMED?

Please refer to the "**AIA Global Dynamic Income-Paying Fund – Dividend Distribution Sheet**" for information on the Fund's dividend distribution history and details.

KEY RISKS AND OTHER IMPORTANT INFORMATION

WHAT ARE THE KEY RISKS OF THIS VUL FUND?

Purchasing a Variable Unit-Linked Fund (VUL Fund) via a Variable Life Insurance product is a very good investment but it has advantages and trade-offs. You should understand that Variable Life Insurance products are subject to risks which include, but are not limited to, general risk, interest rate risk, credit risk, equity risk, market risk, counterparty risk, regulatory risk, political risk, investment risk, currency/exchange risk, liquidity risk and taxation risk which could affect the value of your Variable Life Insurance policy. AIA Philippines is guided by its Investment Policies and Guidelines in managing these risks, however, this does not guarantee investment returns nor protect against capital loss. To further understand the nature of these risks, please talk to your AIA Philippines Licensed Life Planner.

Definitions

- **General Risk:** The value of the Variable Life Policy may be affected by the uncertainties and risks associated with investing. Past performance is not necessarily a guide to future performance and the decision to invest should be regarded as a medium- to long-term investment decision.
- **Interest Rate Risk:** Bonds and other fixed-income securities are interest rate-sensitive. This means that their values and, consequently, the value of the investment, will fluctuate as interest rates fluctuate. An increase in interest rates will, generally, reduce the value of fixed-income securities.
- **Credit Risk:** Bonds and other fixed-income securities and bank deposits are subject to credit risks, such as a deterioration in the credit quality of the issuers, a default by issuers and banks and a general widening of credit spreads. This means that the value of the fixed-income securities will fluctuate. A deterioration in the credit quality of the issuers, a default by issuers or an increase in credit risk premiums will, generally, reduce value.
- **Equity Risk:** The value of equity securities will fluctuate depending on the general trends of the stock markets, prevailing interest rates as well as the financial and operating performance of the issuers of the equity securities themselves. The economic environment of the countries and the performance of the industries will have an impact on the value of the equity securities.
- **Market Risk:** The value of the investment 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. The legal infrastructure, and accounting, auditing and reporting standards in certain countries or securities markets do not provide the same degree of investor protection or information to you as would major countries or securities markets. This, in turn, will have an impact on value.
- **Counterparty Risk:** There is a risk of a counterparty defaulting 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 industries, in certain countries, may be subject to greater government regulation than many other industries. Changes in government policies and the need for regulatory approval may have a material adverse effect on these industries. Industries or companies may also be subject to the risks of developing technology and communications, competitive pressures and other factors, and are dependent on consumer and business acceptance, as new technologies evolve. Investing in these industries may subject the investment to abrupt changes in value.

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- **Political Risk:** The value of investments in countries with less-stable political and economic environments may be subjected to greater volatility than those in developed countries.
- **Investment Risk:** There can be no guarantee against loss nor any assurance that the objective of the investment will be attained. The value of the investment and the income from them can fall as well as rise and you may not realize the same amount that you invested. Investing may only be suitable for you if you can accept the associated uncertainties and risks and are prepared to take a medium- to long-term view of your investment.
- **Currency / Exchange Risk:** Changes in the exchange rate may or may not have an impact on the value of the investment. The investment may be denominated in several or different currencies and, hence, be subjected to fluctuations in currency exchange rates and, in certain cases, exchange control regulations.
- **Liquidity Risk:** An investment may be less-liquid and may affect the ability to acquire or dispose at the value or price and time that is desired.
- **Taxation Risk:** You should note that the proceeds from the investment 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.

The insurance company is guided by the investment policies approved by the Insurance Commission (IC), including the IC-issued "Revised Guidelines on Variable Life Insurance Contracts". The supervision and regulation by the IC, however, does not guarantee the investment returns nor protection of the investment-linked Policy against capital loss.

WHAT ARE THE RISKS IF YOU CHOOSE AN INVESTMENT FUND/S THAT IS NOT SUITABLE TO YOUR RISK APPETITE OR RISK PROFILE?

By choosing an investment fund/s with higher risk than your risk appetite or risk profile, you understand that you are waiving the results of your Client Suitability Assessment and you are taking more risks in exchange for possible higher returns directly attributed to or incidental to the underlying investment fund/s that you have chosen. You expressly agree to assume such higher risks and exclusively bear the consequence of your conscious decision to invest in fund/s and/or products with higher risk. You also understand that AIA Philippines takes no responsibility for the performance of your chosen higher risk investment fund/s and hold AIA Philippines free and harmless from any and all liabilities, claims, opportunity cost, and causes of action of whatever kind or nature, that may affect your investment fund/s as a result thereof.

DISCLOSURE OF CONFLICT OF INTEREST

The Fund manager makes investment decisions for the Funds based on the circumstances of each Fund and independently of decisions made for other funds. There are times when the Manager may take the same investments for a Fund and one or more other funds. This may create a conflict of interest if there is only a limited amount of the investment available, or if the investment is purchased at different times or at different prices for different funds. If this happens, the Manager will attempt to allocate the investment fairly between the Fund and other funds. Factors the Manager considers in allocations include the size and timing of previous allocations, whether the security meets the objectives of the respective portfolios, the relative portfolio size and the rate of growth of the portfolios.

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PRE-TERMINATION OR SURRENDER OF THE VARIABLE LIFE INSURANCE POLICY AND THE CHARGES THEREOF

The Variable Life Insurance policy can be surrendered at your discretion as the policyholder which will result in the termination of the said Variable Life Insurance policy. Please be notified, however, that corresponding surrender charges may be applied, depending on the policy year when the surrender transaction occurs. **The Variable Life Insurance policy may also terminate in the event that the available Account Values are no longer sufficient to cover the applicable policy charges**. You may reinstate the same within three (3) years, provided that the policy's Account Values have not been fully withdrawn, the reinstatement documents have been submitted, and the necessary charges are fully paid, including such other requirements as may be provided in the insurance policy.

NOTE: Surrendering the policy may be more disadvantageous than beneficial to you, as you do not only incur surrender charges but lose potential investment earnings and, more importantly, the benefits of having life insurance protection.

***AIA Global Dynamic Income-Paying Fund* is a Variable Unit-Linked fund (VUL Fund) and not a deposit product and/or an investment product (e.g. UITF, Mutual Fund, etc.). Earnings are not assured, and the principal amount of investment may be exposed to risk of loss.**

For an informed and conscientious purchase decision, it is important that you fully understand the features, benefits and accompanying risks of this VUL Fund.

AIA Philippines is regulated by the Insurance Commission. For inquiries and complaints, you may contact us through

- *Call (02) 8528-2000*
- *www.aia.com.ph*
- *AIAPhilippines*