

DESCRIPTION AND INVESTMENT OBJECTIVES

AIA PH ELITE CONSERVATIVE FUND

AIA PH ELITE BALANCED FUND

AIA PH ELITE ADVENTUROUS FUND

(THE “FUNDS”)

The Funds are segregated accounts offered as option to all AIA Philippines existing Philippine 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 direct securities and/or in shares of Collective Investment Schemes established by AIA including Unit Investment Trust Funds (UITFs) that are managed by either AIA Investment Management and Trust Corporation Philippines (AIAIM PH) or reputable third-party investment managers. Units in the AIAIM PH UITFs are denominated in Philippine Pesos. The Funds may likewise invest in direct securities that fall under the permitted asset classes indicated.

The objectives of the Funds are as follows:

AIA PH ELITE CONSERVATIVE FUND seeks to achieve long-term total return, which is a combination of income and capital growth with conservative risk and at the same time minimize capital risk by investing in a portfolio comprising primarily of bonds and money market instruments.

AIA PH ELITE BALANCED FUND seeks to achieve long-term total return, which is a combination of income and capital growth with balanced risk and at the same time minimize capital risk by investing in a portfolio comprising primarily of bonds and equities.

AIA PH ELITE ADVENTUROUS FUND seeks to achieve long-term total return, which is a combination of capital growth and income with adventurous risk and at the same time minimize capital risk by investing in a portfolio of mostly equities and a small proportion of bonds.

The Funds will be administered by AIA Philippines and AIA Investment Management and Trust Corporation Philippines 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 PH ELITE CONSERVATIVE FUND AIA PH ELITE BALANCED FUND AIA PH ELITE ADVENTUROUS FUND

(THE “FUNDS”)

1. ELIGIBLE INVESTMENTS

- 1.1 Collective Investment Schemes
- 1.2 Bonds and other instruments of indebtedness
- 1.3 Listed Equities
- 1.4 Cash & Cash Equivalents

2. INVESTMENT STRATEGY

The Funds seek to achieve their investment objective by obtaining 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), fixed income and fixed income-related securities, money market instruments, and cash.

Exposure to these asset classes will be achieved primarily through direct investments and investments in units or shares of the Collective Investment Schemes established by AIA, including UITFs that are managed either by AIAIM PH or reputable third-party 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 PH ELITE CONSERVATIVE FUND	AIA PH ELITE BALANCED FUND	AIA PH ELITE ADVENTUROUS FUND
Equity and equity-related securities	20%	50%	80%
Fixed income and fixed income-related securities	70%	50%	20%
Money market instruments, cash and near-cash instruments	10%	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	OBJECTIVE
Equity and equity-related securities	AIA Peso Equity Fund	PHP	Aims to achieve capital growth by investing predominantly in Philippine Stock Exchange listed companies that comply with AIA Group's exclusion policy on coal, tobacco and ammunitions. The fund aims to outperform the total return of Philippine Stock Exchange Index or PCOMP Index.
	AIA Peso Equity Index Fund	PHP	Aims to achieve investment returns that will track the performance of the Philippine Stock Exchange Composite Index (PSEi) by investing in a diversified portfolio of stocks comprising the PSEi in the same weights as the index, to the extent practicable.
Fixed income and fixed income-related securities	AIA Peso Medium-Term Bond Fund	PHP	Aims to achieve stable income and capital growth by investing in a diversified portfolio of peso-denominated fixed income instruments with an average portfolio duration of more than three (3) but not more than five (5). The Fund is actively managed which allows full discretion on security selection and aims to outperform the

			overall return of Markit iBoxx ALBI Philippines 1-5 or IBXXPH15 Index.
	AIA Peso Long-Term Bond Fund	PHP	Aims to achieve higher income and capital growth by investing in Philippine government bonds with an average portfolio duration of greater than five (5). The Fund will track the performance of the Markit iBoxx ALBI Philippines 5+ Total Return Index or IBXXPHP5 Index by replicating the characteristics of the benchmark.
	AIA Peso Enhanced Yield Fund	PHP	Aims to achieve higher income and capital growth by investing in a diversified portfolio composed of peso-denominated fixed income instruments with a weighted average portfolio life of at least three (3) years. The Fund is actively managed which allows full discretion on security selection and aims to outperform the overall return of Markit iBoxx ALBI Philippines 5+ Total Return Index or IBXXPHP5 Index.
Money market instruments, cash and near-cash instruments	AIA Peso Money Market Fund	PHP	Aims to provide liquidity and stable income by investing in peso-denominated money market and fixed income instruments with remaining terms to maturity of not more than three (3) years and has a weighted average portfolio life of one (1) year or less. The fund will track the performance of the Markit iBoxx ALBI Money Market or IBXXCHOG Index by replicating the characteristics of the benchmark.
	AIA Peso Short Term Fund	PHP	Aims to provide liquidity and stable income by investing in peso-denominated money market and fixed-income instruments with remaining terms to maturity of not more than three (3) years and has a weighted average portfolio life of one (1) year or less. The Fund is actively managed which allows full discretion on security selection and aims to outperform the overall return of Markit iBoxx ALBI Money Market or IBXXCHOG Index.

The Funds' bond strategy is meant to generate sustainable returns through diversified exposures globally. The equity strategy employs active management across various strategies and 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 shall not engage in both covered and uncovered short positions.
- 4.2 The Funds shall not engage in margin transactions.
- 4.3 The Funds shall not engage in Borrowing.
- 4.4 The Funds shall not engage in Cross Trades.
- 4.5 The Funds shall not engage in Securities Lending.
- 4.6 The Funds shall not be committed to any obligation to underwrite an issue or offer for sale of securities.
- 4.7 The Funds shall comply with AIA Group's ESG policy with respect to the implementation of investment strategies.

5. INVESTOR PROFILE

The Funds are targeted for customers who have an appetite for cautious to adventurous (conservative to aggressive) 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 PH. AIA Philippines is owned and controlled by AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group in the world.

AIA Investment Management and Trust Corporation Philippines (AIAIM PH) is a trust corporation incorporated under the laws of the Republic of the Philippines whose registered office is at 17F AIA Philippines Head Office, AIA Tower, 8767 Paseo de Roxas Avenue, 1226, Philippines. AIAIM PH is licensed by the Bangko Sentral ng Pilipinas to carry on the regulated activities of fund management and dealing in capital markets products. It is wholly owned by AIA Philippines Life and General Insurance Company, 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 AIAIM PH 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 PH Elite Conservative Fund	0.70%	0.80%	1.50%
AIA PH Elite Balanced Fund	1.00%	0.60%	1.60%
AIA PH Elite Adventurous Fund	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.