SAVINGS

SPECIAL TARGET SAVER PLUS (STSP)

Together we can make your savings grow

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HEALTHIER, LONGER, BETTER LIVES

AIA International Limited
(Incorporated in Bermuda with limited liability)

It is essential to save for your future

Special Target Saver Plus provides stable returns with a wide range of benefits.

From wealth creation, to your child's education or even a well-deserved holiday, AIA can help you realise your dreams.

Stable returns for a brighter future

Special Target Saver Plus is a **participating insurance plan** that provides you with guaranteed cash value, as well as non-guaranteed annual cash amounts called Annual Dividends. You may choose to receive the Annual Dividends in cash or use them to reduce any premium due under this policy. Otherwise, these sums shall accumulate in your policy, potentially earning interest.

At the end of the benefit term, the policy will mature and we will also provide you with a one-off non-guaranteed cash amount, called a Maturity Dividend.

Fixed premium payment term

Special Target Saver Plus is denominated in US dollars, you have to pay the premium for 12 years for this plan and the cover will be for 15 years. Premium amounts are guaranteed to remain fixed throughout the premium payment term, making it easy for you to budget.

Premium Payment Term	Insured's Age at Policy Issue	Benefit Term
12 years	15 days to age 60	15 years

Different premium payment modes (annually, semi-annually, quarterly and monthly) are available for this plan.

Benefit received when policy matures

Provided that the insured, who is the person protected under the policy, is alive at the end of the benefit term, the policy will mature and we will pay you a maturity benefit. This benefit will include:

i. the principal amount of the policy;

ii. any accumulated Annual Dividends with interest; and

iii. any Maturity Dividend.

We will deduct all outstanding debt under your policy before we make the payment to you.

"AIA", "the Company", "We", "our" or "us" herein refers to **AIA International Limited** (Incorporated in Bermuda with limited liability).

If the worst should happen

If the insured passes away, we will pay the death benefit to the person whom you select in your policy as beneficiary when one of the following events occurs:

Death Benefit
If the insured passes away on or before the end of 2nd policy year i. 101% of total annual premiums paid for the basic plan with no extra premium loading; plus ii. any accumulated Annual Dividends with interest. If the insured passes away after the end of 2nd policy year, but before the policy matures i. The higher of: a. 110% of total annual premiums paid for the basic plan with no extra premium loading; and b. the guaranteed cash value; plus ii. any accumulated Annual Dividends with interest.

In either of the above cases, we will deduct all outstanding debt under your policy before we make the payment to the beneficiary.

The principal amount is used to calculate premium and relevant policy values and will not be payable as death benefit.

For extra cover, you can choose from a range of optional add-on plans offering accident and disability protection. All add-on plans are subject to additional premiums, underwriting and exclusions. All benefits under add-on plans will be terminated when your **Special Target Saver Plus** terminates.

Unemployment Benefit

During your premium payment term, if you are laid off and become unemployed, we will extend the grace period of late premium payment from 31 days to 365 days to give you a buffer.

However, where payment of your premium is being covered by a policy loan automatically taken out on the policy, we will instead waive the relevant loan interest for up to 365 days.

Offer of this benefit will be subject to our underwriting decision.

Easy to join

No medical examination is required for new applications, as long as the total annual premiums do not exceed the aggregate limit set for each insured, subject to our prevailing rules and regulations.

Important Information

This brochure does not contain the full terms and conditions of the policy. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of this product. The precise terms and conditions of this plan are specified in the policy contract. Please refer to the policy contract for the definitions of capitalised terms, and the exact and complete terms and conditions of cover. In case you want to read policy contract sample before making an application, you can obtain a copy from AIA. This brochure should be read along with the illustrative document (if any) and other relevant marketing materials, which include additional information and important considerations about this product. We would like to remind you to review the relevant product materials provided to you and seek independent professional advice if necessary.

This brochure is for distribution in Hong Kong / Macau only.

Dividend Philosophy

This is a participating insurance plan in which we share a portion of the profits earned on it and related participating insurance plans with the policy owners. It is designed to be held long term. The premiums of a participating insurance plan will be invested in a variety of assets according to our investment strategy. The cost of policy benefits (including guaranteed and non-guaranteed benefits as specified in your plan that may be payable on death or surrender, as well as charges we make to support policy guarantees (if applicable)) and expenses will be deducted as appropriate from premiums of the participating insurance plan or from the invested assets. We aim to ensure a fair sharing of profits between policy owners and shareholders, and among different groups of policy owners. For this plan's target profit sharing ratio between policy owners and shareholders, please visit our website at https://www.aia.com.hk/en/our-products/further-product-information/profit-sharing-ratio.html.

Divisible surplus refers to profits available for distribution back to policy owners as determined by us. The divisible surplus that will be shared with policy owners will be based on the profits earned from your plan and similar plans or similar groups of policies (as determined by us from time to time by considering factors such as benefit features, policy currencies and period of policy issuance). Divisible surplus may be shared with the policy owners in the form of annual dividends and maturity dividends as specified in your policy. A very significant proportion of such divisible surplus arising from the experience from your plan and similar plans or similar groups of policies will be shared with policy owners.

We review and determine the dividend amounts payable to policy owners at least once per year. Divisible surplus depends on the investment performance of the assets which we invest in and the amounts of benefits and expenses we need to pay for the plan. It is therefore inherently uncertain. Nevertheless, we aim to deliver relatively stable dividend payments over time through a smoothing process by spreading out the gains and losses over a period of time. The actual dividends declared may be different from those illustrated or projected in any insurance plan information provided (e.g. benefit illustrations) depending on whether the divisible surplus, past experience and/or outlook are different from what we expected. If dividends are different from our last communication, this will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the dividend amounts to the Board of the Company. The committee is comprised of members from different control functions or departments within the organisation both at the AIA Group level as well as Hong Kong local level, such as office of the Chief Executive of the Company, legal, compliance, finance, investment and risk management. Each member of the committee will endeavour to exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilise the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decisions and to manage the risk of conflict of interests, in order to ensure fair treatment between policy owners and shareholders, and among different groups of policy owners. The actual dividends, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors, and with written declaration by the Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary on the management of fair treatment between policy owners and shareholders.

To determine the dividends of a participating policy, we consider both past experience and the future outlook of all factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the backing assets, i.e. the assets in which we invest your premiums (after deducting the cost of policy benefits and expenses). Depending on the asset allocation adopted for the insurance plan, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including interest rate risk, credit spread and default risk, fluctuations in listed and private equity prices, real estate prices as well as foreign exchange rates if the currency of the backing assets is different from the policy currency, etc.

Claims: include claims for death benefits and any other insured benefits under the insurance plan.

Surrenders: include policy surrenders, partial surrenders and policy lapses; and their corresponding impact on the backing assets.

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the insurance plan (e.g. general administrative costs).

Some participating insurance plans allow the policy owners to place their annual dividends, guaranteed and non-guaranteed cash payments, guaranteed and non-guaranteed incomes, guaranteed and non-guaranteed annuity payments with us, earning interest at a non-guaranteed interest rate. To determine such non-guaranteed interest rate, we consider the returns on the pool of assets in which these amounts are invested with reference to the past experience and future outlook. This pool of assets is segregated from other investments of the Company and may include bonds and other fixed income instruments. You have the right to request for historical accumulation interest rates before committing the purchase.

For dividend philosophy and dividend history, please visit our website at https://www.aia.com.hk/en/dividend-philosophy-history.html

Investment Philosophy, Objective and Strategy

Our investment philosophy aims to deliver sustainable long-term returns in line with the insurance plan's investment objectives and the Company's business and financial objectives.

Our aforementioned objectives are to achieve the targeted long-term investment results while minimising volatility in investment returns to support the liabilities over time. They also aim to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.

Our current long-term target strategy is to allocate assets attributed to this insurance plan as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	75% - 95%
Growth assets	5% - 25%

The bonds and other fixed income instruments predominantly include government and corporate bonds and are mainly invested in the United States and Asia-Pacific. Growth assets may include listed equity, equity mutual funds, physical real estate, real estate funds, private equity funds and private credit funds, and are mainly invested in the United States, Asia-Pacific and Europe. Growth assets generally have a higher long-term expected return than bonds and fixed income assets but may be more volatile in the short term. The range of target asset mix may be different for different participating insurance plans. Our investment strategy is to actively manage the investment portfolio i.e. adjust the asset mix dynamically over a range that can be wider than the target range in response to the external market conditions and the financial condition of the participating business. For example, there may be a smaller proportion of growth assets when interest rates are low and a larger proportion of growth assets when interest rates are high. When interest rates are low, the proportion of growth assets may be even smaller than the long-term target strategy, so as to allow us to minimise volatility in investment returns and to protect our ability to pay the guaranteed benefits under the insurance plans, whereas the proportion of the growth assets may be even larger than the long-term target strategy when interest rates are high to allow for the possibility that we may share more investment opportunities in growth assets with the policy owners.

Effective from 1 January 2018, all policy owners are required to pay a levy on each premium payment made for both new and in-force Hong Kong policies to the Insurance Authority (IA). For levy details, please visit our website at www.aia.com.hk/useful-information-ia-en or IA's website at www.ia.org.hk.

Subject to our investment objectives, we may use a material amount of derivatives (such as through pre-investing partly or fully expected future premiums) to manage our investment risk exposure and for matching between assets and liabilities, for example, the effects of changes in interest rates may be moderated while allowing for more flexibility in asset allocation.

Our general currency strategy is to minimise currency mismatches for bonds and other fixed income instruments. For these investments, our current practice is to endeavour to currency-match asset purchases with the currency of the underlying policy (e.g. US Dollar assets will be used to back US Dollar insurance plans). However, subject to market availability and opportunity, bonds or other fixed income instruments may be invested in a currency other than the currency of the underlying policy and currency swaps may be used to minimise the currency risks. Currently assets are mainly invested in US Dollar. Growth assets may be invested in a currency other than the currency of the underlying policy and the selection of the currency is made according to our investment philosophy, investment objectives and mandate.

We will pool similar participating insurance plans for investment to determine the return and we will then allocate the return to specific participating insurance plans with reference to their target asset mix. Actual investments (e.g. geographical mix, currency mix) would depend on market opportunities at the time of purchase, hence may be different from the target asset mix.

The investment strategy is subject to change depending on the market conditions and economic outlook. Should there be any material changes in the investment strategy, we will inform policy owners of the changes, with underlying reasons and expected impact to the dividends.

Key Product Risks

1. You should pay premium(s) on time and according to the selected premium payment schedule. If you stop paying the premium before completion of the premium payment term, you may surrender the policy, otherwise, the premium will be covered by a loan taken out on the policy automatically. When the loan balance exceeds the sum of guaranteed cash value and accumulated Annual Dividends with interest (if any) of the basic plan, the policy will terminate and you will lose the cover. The surrender value of the policy will be used to repay the loan balance, and we will refund any remaining value.

2. The plan may make certain portion of its investment in growth assets. Returns of growth assets are generally more volatile than bonds and other fixed income instruments, you should note the target asset mix of the product as disclosed in this product brochure, which will affect the dividend on the product. The savings component of the plan is subject to risks and possible loss. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

3. You may request for the termination of your policy by notifying us in written notice. Also, we will terminate your policy and you / the insured will lose the cover when one of the following happens before the policy matures:
   - the insured passes away;
   - you do not pay the premium within 31 days (or 365 days under Unemployment Benefit) of the due date and the policy has no cash value;
   - any benefit is paid under an add-on plan that triggers termination of the policy; or
   - the outstanding debt exceeds the guaranteed cash value of the policy. Where the premium is covered by a loan taken out on the policy automatically, the outstanding debt exceeds the sum of guaranteed cash value and accumulated Annual Dividends with interest (if any) of your policy.

4. We underwrite the plan and you are subject to our credit risk. If we are unable to satisfy the financial obligations of the policy, you may lose your premium paid and benefits.

5. You are subject to exchange rate risks for plans denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations. You should consider the exchange rate risks and decide whether to take such risks.

6. Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

Product Limitation

Unemployment Benefit: You must be employed under a continuous contract for not less than 24 months and be eligible for a severance payment upon termination under the laws of Hong Kong or Macau (as the case may be). Further, such employment cannot be self-employment, employment by a family member (including spouse, parent, grandparent, child or grandchild) or employment as a domestic servant. The Unemployment Benefit starts on the premium due date following the unemployment and continues for up to 365 days. Proof of continuous unemployment is required. The Unemployment Benefit is not available if you were informed of your pending involuntary unemployment on or before the issue date or commencement date of your policy.

Claim Procedure

If you wish to make a claim, you must send us the appropriate forms and relevant proof. You can get the appropriate claim forms in www.aia.com.hk, from your financial planner, by calling the AIA Customer Hotline (852) 2232 8888 in Hong Kong, or (853) 8988 1822 in Macau, or by visiting any AIA Customer Service Centre. For details related to making a claim, please refer to the policy contract. If you wish to know more about claim related matter, you may visit "File A Claim" section under our company website www.aia.com.hk.

Suicide

If the insured commits suicide within one year from the date on which the policy takes effect, our liability will be limited to the refund of premiums paid (without interest) less any outstanding debt.

Incontestability

Except for fraud or non-payment of premiums, we will not contest the validity of this policy after it has been in force during the lifetime of the insured for a continuous period of two years from the date on which the policy takes effect. This provision does not apply to any add-on plan providing accident, hospitalisation or disability benefits.

Cancellation Right

You have the right to cancel and obtain a refund of any premiums and any levy paid by giving written notice to us. Such notice must be signed by you and submitted to the Customer Service Centre of AIA International Limited at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong or the Customer Service Centre of AIA International Limited at Unit 201, 2F, AIA Tower, 251A-301 Avenida Comercial de Macau, Macau within 21 calendar days immediately following either the day of delivery of the policy or the Cooling-off Notice to you or your nominated representative, whichever is the earlier.

Please contact your financial planner or call AIA Customer Hotline for details

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