

### **Important Notes**

- If you are in doubt about the contents of this Principal Brochure, you should seek independent professional financial advice.
- The **AIA Guaranteed Fund** in the Scheme is a capital guaranteed fund. Your investments in the AIA Guaranteed Fund, if any, are subject to the credit risk of the Guarantor. Your entitlement to the capital guarantee under the AIA Guaranteed Fund for each relevant plan year will be subject to your continued investment in the AIA Guaranteed Fund until the end of each relevant plan year (please refer to the section entitled "Glossary" of this Principal Brochure for details of how a plan year is defined) and the termination or withdrawal from the AIA Guaranteed Fund before such date will be fully exposed to fluctuations in the value of the assets comprising the AIA Guaranteed Fund.
- The **AIA Capital Guaranteed Fund** in the Scheme invests in an insurance policy issued by the Insurer. Your investments in the AIA Capital Guaranteed Fund, if any, are therefore subject to the credit risks of the Insurer as both Insurer and Guarantor. Your entitlement to the capital guarantee under the AIA Capital Guaranteed Fund for each calendar year will be subject to your continued investment in the AIA Capital Guaranteed Fund until the end of each calendar year and the termination or withdrawal from the AIA Capital Guaranteed Fund before such date will be fully exposed to fluctuations in the value of the assets comprising the AIA Capital Guaranteed Fund.
- The **AIA Capital Stable Fund** does not guarantee the repayment of capital under any circumstances.
- You should consider your own risk tolerance level and financial circumstances before choosing any Investment Portfolio. When, in your selection of Investment Portfolios, you are in doubt as to whether a certain Investment Portfolio is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the Investment Portfolio(s) most suitable for you taking into account your circumstances.
- In the event that you do not choose any Investment Portfolio, your contributions made and/or benefits transferred into the Scheme in respect of you will be invested in the default Investment Portfolio as agreed between your employer and the Trustee (and set out in the appropriate enrolment form(s)).
- To reflect material changes, this Principal Brochure and the Investment Portfolio Fact Sheets may from time to time be updated and intending subscribers should enquire of the Trustee as to the issue of any latest version. The Product Provider accepts responsibility for the information contained in the Principal Brochure being accurate as at the date of the Principal Brochure. The Product Provider confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

- The Principal Brochure has been authorised by the SFC pursuant to section 105 of the SFO. The SFC's authorisation is not a recommendation or endorsement of the Scheme nor does it guarantee the commercial merits of the Scheme or its performance. It does not mean the Scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

TWENTY-FIFTH EDITION: 1 December 2022

# AIA Retirement Fund Scheme

## Contents

### Principal Brochure

1. Introduction .....	4
2. Key Operators .....	4
3. Administrative Matters.....	7
4. Investment Portfolios.....	11
5. Risk Factors .....	16
6. Fees and Charges.....	33
7. Miscellaneous .....	34
8. Investment Portfolio Fact Sheets .....	38
9. Glossary .....	39
Appendix A - Investment Portfolio Fact Sheets .....	43
• AIA Guaranteed Fund .....	43
• AIA Capital Guaranteed Fund .....	50
• AIA Global Bond Fund .....	57
• AIA Capital Stable Fund .....	61
• AIA Balanced Fund .....	65
• AIA Growth Fund.....	69
• AIA Manager's Choice Fund .....	73
• AIA American Equity Fund .....	77
• AIA European Equity Fund.....	80
• AIA Hong Kong Equity Fund .....	83
• AIA Greater China Equity Fund.....	87
• AIA Asia ex Japan Equity Fund .....	91
• AIA Hong Kong and China Fund .....	95
• AIA World Fund.....	98
Appendix B - Details of the Underlying Funds invested into by certain Investment Portfolios .....	101
Appendix C - Summary of Fees and Charges.....	127

## 1. Introduction

The Scheme, which is structured as a trust, is a pooled retirement scheme set up on 1 December 1987 by AIA Company Limited, a member of the AIA Group. The trusteeship, administration and investment of the assets of the Scheme are undertaken by different companies within the AIA Group.

Employers can benefit from their participation in the Scheme as it can attract and retain employees by improving their benefits.

Employees can benefit from their participation in the Scheme as the retirement benefits may enhance financial security for the employees and their families.

Defined terms used in this Principal Brochure are defined in section 9 of this Principal Brochure.

## 2. Key Operators

Operator	Name of Institution	Details	Address and Contact Information
Trustee and Product Provider	AIA Company (Trustee) Limited	<p>The Trustee, incorporated under the laws of Hong Kong on 10 July 1987, is the present sole trustee of the Scheme.</p> <p>The Trustee is responsible for the safekeeping of the assets of the Scheme. The Trustee has appointed Citibank, N.A. as the custodian for the safekeeping of the assets of the Scheme.</p> <p>The Trustee, also being the Product Provider, is an MPF approved trustee approved by the MPFA pursuant to section 20 of the MPFSO. The Trustee will carry out its responsibilities as a Product Provider as provided under the PRF Code.</p>	<p><u>Registered address:</u></p> <p>11/F, AIA Hong Kong Tower, 734 King's Road, Quarry Bay, Hong Kong</p> <p><u>Administration office:</u></p> <p>12/F, AIA Tower, 183 Electric Road North Point, Hong Kong</p> <p>Tel. No.: 2100 1500</p>
Administrator	AIA International Limited (Hong Kong Branch)	The Administrator, incorporated in Bermuda with limited liability, acts as the administrator of the	<p><u>Registered address:</u></p> <p>Clarendon</p>

		<p>Scheme. Aided by a state-of-the-art administration system, the Administrator's team of experienced personnel provides clients with retirement scheme administration and related services including maintenance of accounts and records, as well as communications with employers and scheme members.</p> <p>For enquiries or to obtain copies of this Principal Brochure and/or application forms, scheme participants can visit the Customer Service Centre. A copy of the Trust Deed, and annual audited accounts for each Investment Portfolio are available for inspection free of charge at the Customer Service Centre of the Administrator.</p>	<p>House, 2 Church Street, Hamilton HM 11, Bermuda</p> <p><u>Principal place of business in Hong Kong:</u></p> <p>1/F, AIA Hong Kong Tower, 734 King's Road, Quarry Bay, Hong Kong</p> <p><u>Customer Service Centre*:</u></p> <p>12/F, AIA Tower, 183 Electric Road North Point, Hong Kong</p> <p><u>Postal address:</u></p> <p>8/F, AIA Financial Centre, 712 Prince Edward Road East, Kowloon, Hong Kong</p> <p>Tel. No.: 2100 1500</p> <p>*Please note that a customer service counter is available at the Customer Service Centre, but not at the other two locations stated above.</p>
--	--	---	--

Management Company	AIA Investment Management HK Limited	<p>The Management Company, incorporated in May 2018, is a SFC licensed asset management company licensed to carry on type 4 (advising on securities) and type 9 (asset management) regulated activities and wholly owned by AIA Group. Since incorporation, the Management Company has built specialist teams to manage different asset classes across geographies and conduct global asset allocation based on in-depth research in equities, fixed income, collective investment schemes and economies.</p> <p>The Management Company is the sole management company of all Investment Portfolios under the Scheme.</p>	<p><u>Registered address:</u></p> <p>Unit 1203, 12/F, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong</p> <p>Tel. No.: 3406 7633</p>
Custodian	Citibank, N.A.	Citibank, N.A., a delegate of the Trustee, has the function of safekeeping the Scheme's assets.	<p><u>Registered address:</u></p> <p>5800 South Corporate Place Sioux Falls, SD 57108, United States of America</p> <p><u>Principal place of business in Hong Kong:</u></p> <p>50/F, Champion Tower, 3 Garden Road, Central, Hong Kong</p> <p>Tel. No.: 2868</p>

			8888
Guarantor/Insurer	AIA Company Limited	AIA Company Limited is: (a) the Guarantor of AIA Guaranteed Fund; and (b) the Insurer and Guarantor of Capital Guaranteed Insurance Policy (i.e. the underlying investment of the AIA Capital Guaranteed Fund).	<u>Registered address:</u> 35/F, AIA Central, 1 Connaught Road Central, Hong Kong Tel. No.: 2832 1800

### 3. Administrative Matters

#### 3.1 General

##### (a) Establishment of Employer Retirement Plan

An employer can join the Scheme by executing a deed of participation to adhere to the Scheme (which is governed by the Trust Deed) and establish a Retirement Plan specific to such employer. Under the Trust Deed, the rules governing the Retirement Plan benefits due to the participating members are set out and must be adopted by the employer.

The scheme participants are to pay monthly contributions to the Scheme in such manner as the Trustee may prescribe from time to time. Subject to the ongoing fees payable by the Investment Portfolios as detailed in section 6.2 of this Principal Brochure, all of the contributions after deducting the administration charges as specified in the deed of participation will be applied for investment purposes. Contributions must be paid to the Scheme in HKD or in such other currency as the Trustee may agree.

The Trustee has the absolute discretion over whether or not to accept an employer into the Scheme. In case of unusual or difficult procedures in meeting the requirements of an employer, a different charging scale may be applied with the agreement of such employer.

##### (b) Occupational Retirement Schemes Ordinance

According to the ORSO, each employer who participates in the Scheme may need to register its Retirement Plan with the Registrar. The Administrator will assist in the registration process and will keep proper accounts, records and annual financial statements of the Scheme for auditing and filing purposes with the relevant authorities, as well as carrying out the other daily operation and administration of the Scheme. The Administrator will also ensure the separation of the employees' benefits from that

of the employer's accounts.

### **(c) Long Service Payment/Severance Payment Offset**

Under the Employment Ordinance (Cap. 57 of the laws of Hong Kong), employees who meet certain criteria are entitled to receive statutory long service payment/severance payment. Employers are entitled to apply for the benefits payable out of the employer's portion from the Scheme to offset the aforementioned payment.

### **(d) Variation of the Retirement Plan Rules**

The Scheme allows the employer to change the Retirement Plan rules by executing a deed of variation, subject to certain limitations. This gives the employer the flexibility to adopt Retirement Plan rules which suit the employer's needs.

### **(e) Discretionary Contribution (Optional)**

In addition to normal contributions, an employer may opt to make additional contributions on behalf of an employee in such manner, on such terms and at such time as the employer may agree with the Trustee from time to time.

### **(f) Transferring Existing Plan**

An employer's existing retirement plan can be transferred to the Scheme. The value of assets to be transferred from the existing retirement plan to the Scheme will be agreed with the relevant service provider(s) of the employer's existing retirement plan, and then transferred to the Scheme by way of the execution of a deed of participation to adhere to the Scheme by the employer.

## **3.2 Benefits**

### **(a) Scheme Operation**

The Scheme is designed to cater for a variety of retirement plans by allowing flexibility of plan design with a variety of investment portfolios. The employer can set its own retirement plan design and select the appropriate investment portfolios.

Benefits are payable in one cash lump sum and will normally be paid within 31 days from the occurrence of the following events, whichever is the latest: (i) the date the Trustee receives notice of an employee's termination of employment from the employer; or (ii) the date the Trustee receives the final payment of contribution in respect of the member; or (iii) the effective date of the member's termination of employment. No interest is payable from the date of termination of employment of a member until the date of such payment. Benefits will be paid in HKD or subject to the Trustee's approval, its equivalent at the prevailing market rate.

Scheme participants are advised to seek professional advice regarding their own particular tax circumstances and the possible tax implications on their holding interests in the Scheme.



Retirement Plans are usually divided into two main categories:

- Defined contribution plan
- Defined benefit plan

### **(b) Defined Contribution Plan**

A defined contribution plan is usually more popular due to the simplicity of its design and operation. Moreover, it provides employers with better planning as the employer's contribution can be budgeted for. Each employer and the employees (in accordance with the Retirement Plan rules) contribute a fixed percentage of the employees' salary to the Scheme each month. These contributions are recorded separately and then invested according to the investment choices. Annual statements are issued to the employer and its employees summarising the accumulated contributions and investment returns.

### **Example of a Defined Contribution Plan Design**

An employer may adopt a set of rules tailored specifically to meet its particular requirements.

An example of a defined contribution plan is as follows:

<b><i>Defined Contribution Plan Design (for reference only)</i></b>			
<b><i>1. Contribution rate</i></b>	<b>Years of service</b>	<b>Employer</b>	<b>Employee</b>
	Less than 5 years	5.0%	5.0%
	5-10 years	7.5%	5.0%
	more than 10 years	10.0%	5.0%
<b><i>2. Normal retirement age</i></b>	When setting up a new Retirement Plan, an employer has the flexibility to set the normal retirement age. At an employee's retirement, subject to the provisions of the rules governing the employer's Retirement Plan, the retiring employee will generally be entitled to his/her accumulated benefits. The provisions which may have an impact on a retiring employee's entitlement to his/her accumulated benefits include provisions on forfeiture of benefits where an employee resigns to avoid summary dismissal or is summarily dismissed by the employer.		
<b><i>3. Death during employment</i></b>	If an employee dies during his/her term of employment, his/her accumulated benefits will normally be paid to the named beneficiary.		
<b><i>4. Permanent disability or ill health</i></b>	If an employee leaves his/her service because he/she is permanently disabled or unfit to continue to work, the accumulated benefits will be paid in full.		

5. *Resignation or termination before retirement age*

If an employee leaves his/her service before reaching the normal retirement age, he/she will, under normal circumstances, receive the part of the benefits attributable to his/her own contributions with investment returns plus a vested proportion of the accumulated benefits from the contributions made by the employer in respect of the employee in accordance with the following vesting scale:

<b>Completed years of services</b>	<b>Vested proportion of accumulated benefits from employer's contributions</b>
Less than 3 years	Nil
3 years	30%
4 years	40%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years or more	100%

An exception to the above described entitlement on resignation would be cases where an employee resigns to avoid summary dismissal, and the Retirement Plan's documentation provides for forfeiture of benefits where an employee resigns to avoid summary dismissal.

**(c) Defined Benefit Plan**

A defined benefit plan is an occupational retirement scheme which is not a defined contribution plan (as detailed in section 3.2 (b) above). For some defined benefit plans, the employees' retirement benefits are determined by a formula which multiplies the employees' final salary and years of service (e.g. it can be a certain percentage (factor) of the final salary for each year of completed services). These plans are called defined benefit plans because the benefit rather than the contribution level is defined.

The employer's contributions required to provide the defined benefit need to be actuarially determined and reviewed at least every three years and are subject to changes. The Administrator possesses the expertise to provide this service. For more information, please contact the Administrator.

Employees' contributions may also be made to a defined benefit plan and withdrawal of benefits are usually based on these contributions and interest plus either an additional vested benefit based on these contributions or a discounted proportion of the retirement benefits (based on an actuarially determined formula).

The responsibility of ensuring sufficient funds for the benefits of the employees rests with the employer.

### 3.3 Deferred Member Arrangement

Instead of receiving benefits from the Scheme at such time as prescribed under the governing documentation of the Scheme (generally, on the termination of an employee's employment), an employee who participates in the Scheme may elect to have his/her benefits retained in the Scheme on such terms and conditions and in such manner as the Trustee may from time to time determine (i.e. a Deferred Member). Details of such arrangement will be given upon request to the Trustee.

### 3.4 Scheme Administration Services

The Administrator renders the following services:

- assist in Retirement Plan design and advise on subsequent improvements and changes
- prepare contract documents for the Retirement Plan
- assist in obtaining relevant registration(s) from relevant authorities
- assist in printing of explanatory leaflets and employee communications
- assist in organising enrollment meetings
- general administration and record keeping
- ensure ongoing compliance with applicable legislation and regulations
- calculate and payment of benefits
- prepare annual statements for both employers and employees

## 4. Investment Portfolios

### 4.1 Selection

Upon joining the Scheme, the employer can invest its own contribution and the scheme members' contributions into a combination of up to 14 Investment Portfolios. The Investment Portfolios available under the Scheme are listed below:

<b>Investment Portfolio</b>	<b>Year of Establishment</b>
1. AIA Guaranteed Fund	1987
2. AIA Capital Guaranteed Fund	2000
3. AIA Global Bond Fund	2016
4. AIA Capital Stable Fund	1994
5. AIA Balanced Fund	1999
6. AIA Growth Fund	1994
7. AIA Manager's Choice Fund	2008
8. AIA American Equity Fund	1999
9. AIA European Equity Fund	1999
10. AIA Hong Kong Equity Fund	2009
11. AIA Greater China Equity Fund	2009
12. AIA Asia ex Japan Equity Fund	1994
13. AIA Hong Kong and China Fund	2019
14. AIA World Fund	2019

Profiles of each of the Investment Portfolios are attached to the Investment Portfolio Fact Sheets. The investment returns of the Investment Portfolios may go up as well as down.

Employee's preference may be taken into account when selecting the Investment Portfolios and the combination of Investment Portfolios available under the employer's Retirement Plan. This selection process may be as follows:

- (i) The employer can choose one Investment Portfolio or up to a combination of 14 Investment Portfolios.
- (ii) The employer may then set the investment arrangement options for its Retirement Plan, within the selected Investment Portfolios.

Once the options are set, the employer can then leave it to the employees to choose the options they prefer. The employees' choices can be a separate option to that of the employer's. Alternatively, the employer may elect to give its employees the right to decide the investment arrangement in relation to both the employer's and employee's contributions.

The Trustee selects the Investment Portfolios available for the employers and members participating in the Scheme and may delete from or add to the list of Investment Portfolios from time to time. A notice of at least three months will be given to all scheme participants if an Investment Portfolio is to be terminated from the Scheme.

## **4.2 Investment Requirements and Restrictions**

### **(a) Investment Portfolio Requirements**

Except for AIA Guaranteed Fund and AIA Capital Guaranteed Fund which are guaranteed funds, the other Investment Portfolios are direct investment funds. The Investment Portfolios are subject to the following investment requirements:

#### **(i) Direct Investment Funds**

An Investment Portfolio that is in the form of a direct investment fund may invest at the Management Company's discretion, subject to the provisions of the Trust Deed and the PRF Code. Such Investment Portfolio is expected to comply with the relevant core investment requirements under Chapter 7 of the UT Code and, where applicable, the specific investment requirements under 8.2 and 8.6 of the UT Code. Moreover, such Investment Portfolio must be a non-derivative fund.

#### **(ii) Investment Portfolios that are Guaranteed Funds**

The AIA Guaranteed Fund and the AIA Capital Guaranteed Fund, both being guaranteed funds, must comply with the requirements under Chapter 9 of the PRF Code.

In addition, no money of an Investment Portfolio may be invested in the securities of, or lent to, as applicable, the Product Provider, the Management Company, the Guarantor, the Trustee, or any of their respective Connected Persons except where any of these parties is a substantial financial institution or an insurance company. For these purposes, securities do not include interests in collective investment schemes, either authorised under section 104 of the SFO or recognised jurisdiction schemes pursuant to section 1.2 of the UT Code.

For details of each Investment Portfolio's investment restrictions, please refer to the Investment Portfolio Fact Sheets.

#### **(b) Borrowing**

An Investment Portfolio may not borrow for the account of the Investment Portfolio, unless the borrowed amounts do not in aggregate exceed 10% of the net asset value of the Investment Portfolio, and then only as a temporary measure, for the purpose of meeting redemption requests or defraying operating expenses.

#### **(c) Rebate Arrangement**

The Management Company and its Connected Persons will not receive cash or other rebates from brokers or dealers in respect of directing transactions in the investment of Scheme save that goods and services may be retained which are of demonstrable benefit to the investors and the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Please note that "goods and services" referred to in the paragraph immediately above may include, among other things, research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services; and investment-related publications. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

### **4.3 Dealing in the Investment Portfolios**

#### **(i) Switching by employers and Scheme Members (not Deferred Members)**

##### *Future contributions to be invested in the Investment Portfolios*

Each member can reallocate his/her future contributions among the Investment Portfolios available under the Retirement Plan. There is no limit on the number of requests for reallocation of any future contributions among such Investment Portfolios, but paragraph (4) in the following paragraph would apply.

### *Existing investments in the Investment Portfolios*

Each member can switch all or part of his/her existing investments free of charge from one Investment Portfolio to the other Investment Portfolio(s) within the Scheme (as made available under the Retirement Plan), subject to the following:

- (1) Subject to paragraph (4) below, there is no limit on the number of switches into any of the Investment Portfolios.
- (2) Subject to paragraph (4) below, there is no limit on the number of switches out of any Investment Portfolios (other than the AIA Guaranteed Fund as explained in paragraph (3) below). For AIA Capital Guaranteed Fund, with every switching request, the previous and the requested revised allocation percentage for existing balance in the AIA Capital Guaranteed Fund will be compared. If the requested revised allocation percentage is smaller than the previous allocation percentage for existing balance in the AIA Capital Guaranteed Fund, it will be deemed to be a switch-out from the AIA Capital Guaranteed Fund.
- (3) Subject to paragraph (4) below, in each relevant Employer Plan Year, only one switch out of the AIA Guaranteed Fund is permitted regardless of the submission means used. With every switching request, the previous and the requested revised allocation percentage for existing balance in the AIA Guaranteed Fund will be compared. If the requested revised allocation percentage is smaller than the previous allocation percentage for existing balance in the AIA Guaranteed Fund, it will be deemed to be a switch-out from the AIA Guaranteed Fund.
- (4) All switches or reallocations via AIA's Interactive Website, mobile app or Interactive Voice Response System are free of charge, but this is subject to an access fee for each Employer Plan Year (which is currently waived). If a member places more than one switching request in any one day via this means, the Administrator will only take the latest request received before 4:00 p.m. on that Business Day as the final request. However, if a switching request and a reallocation request are placed on the same day, the Administrator will take both requests. A switching and/or reallocation request made (i) after 4:00 p.m. on a Business Day or (ii) on a non-Business Day will be deemed to have been received on the next Business Day.

Only one free-of-charge switch or reallocation request either into or out (subject to paragraph (3) above) of any Investment Portfolios using a method of instruction other than via AIA's Interactive Website, mobile app or Interactive Voice Response System (e.g. via the Investment Mandate Form) will be permitted in each Employer Plan Year (unless otherwise agreed by the Trustee). The switching and/or reallocation requests will be processed within five Business Days after the date of receipt of the completed instruction under normal circumstances or according to the arranged schedule agreed between the Trustee and the employer.

Except for switching and/or reallocation requests made using a method of instruction other than via AIA's Interactive Website, mobile app or Interactive

Voice Response System, a member can cancel any switching and/or reallocation request made (i) on the same Business Day; or (ii) after 4:00 p.m. on the previous Business Day or any non-Business Day(s) thereafter, via AIA's Interactive Website at aia.com.hk, mobile app or Interactive Voice Response System before 4:00 p.m. on a normal Business Day. In other words, such cancellation requests will not be accepted after 4:00 p.m. on the relevant Business Day.

The Investment Portfolios chosen by the employer for the Retirement Plan may also be changed once in each Employer Plan Year and may be subject to a bid/offer margin at both the Investment Portfolio level and the underlying fund level on the transfer of assets.

## **(ii) Switching by Deferred Members**

A Deferred Member may reallocate his/her benefits retained in the Scheme among the Investment Portfolios (as made available under the Retirement Plan). There is no limit on the number of requests for reallocation of any such benefits retained in the Scheme among the Investment Portfolios, subject to the following conditions:

- (1) Subject to paragraph (4) below, there is no limit on the number of switches into any of the Investment Portfolios.
- (2) Subject to paragraph (4) below, there is no limit on the number of switches out of any Investment Portfolio (other than the AIA Guaranteed Fund as explained in paragraph (3) below). For AIA Capital Guaranteed Fund, with every switching request, the previous and the requested revised allocation percentage for existing balance in the AIA Capital Guaranteed Fund will be compared. If the requested revised allocation percentage is smaller than the previous allocation percentage for existing balance in the AIA Capital Guaranteed Fund, it will be deemed to be a switch-out from the AIA Capital Guaranteed Fund.
- (3) Subject to paragraph (4) below, in each relevant Deferred Member Plan Year, only one switch out of the AIA Guaranteed Fund is permitted regardless of the submission means used. With every switching request, the previous and the requested revised allocation percentage for existing balance in the AIA Guaranteed Fund will be compared. If the requested revised allocation percentage is smaller than the previous allocation percentage for existing balance in the AIA Guaranteed Fund, it will be deemed to be a switch out from the AIA Guaranteed Fund.
- (4) All switches or reallocations via AIA's Interactive Website, mobile app or Interactive Voice Response System are free of charge, but this is subject to an access fee for each Deferred Member Plan Year (which currently is waived). If a Deferred Member places more than one switching request in any one day via this means, the Administrator will only take the latest request received before 4:00 p.m. on that Business Day as the final request. However, if a switching request and a reallocation request are placed on the same day, the Administrator will take both requests. A switching and/or reallocation request made (i) after 4:00 p.m. on a Business Day or (ii) on a non-Business Day will be deemed to have been received on the next Business Day.

Only one free-of-charge switch or reallocation request either into or out (subject to paragraph (3) above) of any Investment Portfolios using a method of instruction other than via AIA's Interactive Website, mobile app or Interactive Voice Response System (e.g. via the Investment Mandate Form) will be permitted in each Deferred Member Plan Year (unless agreed by the Trustee). The switching and/or reallocation requests will be processed within five Business Days after the date of receipt of the completed instruction under normal circumstances or according to the arranged schedule agreed between the Trustee and the employer.

Except for switching and/or reallocation requests made using a method of instruction other than via AIA's Interactive Website, mobile app or Interactive Voice Response System, a Deferred Member can cancel any switching and/or reallocation request made (i) on the same Business Day; or (ii) after 4:00 p.m. on the previous Business Day or any non-Business Day(s) thereafter, via AIA's Interactive Website at [aia.com.hk](http://aia.com.hk), mobile app or Interactive Voice Response System before 4:00 p.m. on a normal Business Day. In other words, such cancellation requests will not be accepted after 4:00 p.m. on the relevant Business Day.

### **(iii) Dealing in the Investment Portfolios by Members and Deferred Members**

Scheme participants may submit requests to purchase or redeem amounts/units in the Investment Portfolios in such manner as the Trustee may determine from time to time and such requests will be processed within a timeline determined by the Trustee which will generally be within one calendar month from the date the Trustee receives a valid claim, unless additional time is required in light of the special circumstances (e.g. foreign exchange control) in the relevant market(s) rendering payment of redemption money within the aforesaid time period not practicable.

## **5. Risk Factors**

Investment involves risks. Investors should always consider their own risk/reward profile before making an investment choice. Each Investment Portfolio is subject to market fluctuations and to the risks inherent in all investments. The price of units of any Investment Portfolio and the value of investments from them may go down as well as up. You may have investment income when the price of units of an Investment Portfolio goes up, and you may suffer a loss when the price of units of an Investment Portfolio goes down. The performance of the investments in the Investment Portfolios will be affected by a number of risk factors, including but not limited to those set out in this section. In this section, the term "fund" is used to describe, as the case may be, any Investment Portfolio and/or its respective underlying fund(s).

### **5.1 General risks**

#### **(a) Market risk**

The investments into the funds are subject to the risks inherent in all securities. Market risk includes such factors as changes in economic environment, consumption pattern,



lack of publicly available information of investments and their issuers and investors' expectations, which may have significant impact on the value of the investments. Usually, emerging markets tend to be more volatile than developed markets and may experience substantial price volatility. Market movements may therefore result in substantial fluctuations in the net asset value per unit of the relevant fund. The price of units and the distributions from them (if any) may go down as well as up. Except for the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund, there is no guarantee of the repayment of principal with respect to the other Investment Portfolios.

There can be no assurance that an investor will achieve profits or avoid losses. The value of investments and the income (if any) derived from such investments may fall as well as rise and investors may not recoup the original amount invested in the funds and suffer a loss. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies. In falling equity markets, there may be increased volatility. Market prices in such circumstances may defy rational analysis or expectation for prolonged periods of time and can be influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons and as a result, may have adverse impact to the relevant fund and its investors.

#### **(b) Hedging risk**

Managers of the funds are permitted, but not obliged, to use hedging techniques to attempt to offset market and currency risks. There is no guarantee that hedging techniques will achieve their desired result.

#### **(c) Exchange rate risk**

The funds may invest in assets quoted in currencies other than the base currency of the funds. The performance of the funds may therefore be affected unfavourably by movements in the exchange rates between the currencies in which the assets are held and the base currency of the funds and by changes in exchange rate control.

#### **(d) Political, economic and social risk**

All financial markets and therefore the value of the funds may at times be adversely affected by changes in political, economic and social conditions and policies. Such risk is prevalent especially in emerging markets. For example, legal and regulatory risks may arise from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress, and the funds may be subject to more restrictive regulatory regimes potentially preventing the funds from making the fullest possible use of the investment limits. The funds may also be adversely affected by changes in political conditions, and in legal, regulatory and tax requirements. For funds that are guaranteed funds, the guarantee feature of the funds will not be affected by political, economic and social risks. However, the guarantor and the value of the funds' assets may be affected by changes in political, economic and social conditions and policies.

#### **(e) Withholding tax risk**

The funds may be subject to withholding tax including under FATCA which may decrease its unit price affecting the return unfavourably.

#### **(f) Valuation risk**

Valuation of the funds' investments may involve uncertainties and judgmental determinations as the valuation of certain investments (e.g. over the counter (“**OTC**”) bonds) may be uncertain when markets undergo abnormal volatility/activities impacting prices or the ability to ascertain prices. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the funds.

#### **(g) Settlement risk**

Settlement procedures in developing countries/regions invested in by a fund may be less developed or less reliable, causing the relevant fund to experience problems with delivery of securities, or transfer of title to securities, before receipt of payment for their sale. A fund may be subject to a risk of substantial loss if a securities firm defaults in the performance of its responsibilities. A fund may incur substantial losses if its counterparty fails to pay for securities such fund has delivered, or for any reason fails to complete its contractual obligations owed to such fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of securities. Such delays could result in substantial losses for a fund if investment opportunities are missed or if a fund is unable to acquire or dispose of a security as a result.

#### **(h) Custodial risk**

Custodians or sub-custodians of the funds may be appointed in local markets for the purpose of safekeeping assets in those markets. Where the funds invest in markets where custodial and/or settlement systems are immature or are not fully developed, the assets of the funds may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the funds may take a longer time to recover their assets. In the worst case scenario, such as the retroactive application of legislation and fraud or improper registration of title, the funds may even be unable to recover any of their assets causing loss to the funds. The cost borne by the funds in investing and holding investment in such market will be generally higher than in organised securities markets.

### **5.2 Emerging market risk**

The investments of the funds may have exposure to emerging markets. Emerging markets may involve increased risks and special considerations not typically associated with investment in more developed markets, such as currency risks/control, legal and taxation risks, settlement risks and custody risk. The history of financial markets shows that emerging markets have been volatile while producing high returns when compared to the larger and more mature markets which have tended to be less volatile while generating lower returns. The securities markets of some emerging markets are not yet fully developed which may, in some circumstances, lead to a potential lack of liquidity. Accounting, auditing and financial reporting standards in some emerging markets may be less vigorous than international standards. As a result,

certain material disclosures may not be made by some companies in emerging markets. Political risk may also be more pronounced as emerging markets tend to face more political uncertainties than developed markets.

### **5.3 Equity investment risk**

A fund may invest directly or indirectly in equity securities. Investing in equity securities may offer a higher rate of return than those investing in short term and longer-term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down as well as up. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, issuer-specific factors, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant fund to losses.

### **5.4 Interest rate risk**

The funds may invest in debt securities and/or deposits whose values will be subject to interest rate movements. Fixed income securities with longer maturity dates are particularly susceptible to interest rate changes and may experience significant price volatility. Interest rate risk refers to the risk that the relative value of a security, especially a bond, may worsen due to increase in interest rate, and therefore potentially resulting in the value of the funds being adversely affected.

For AIA Guaranteed Fund and AIA Capital Guaranteed Fund, interest rate movements may affect the yield declared.

### **5.5 Counterparty risk**

When OTC or other bilateral contracts are entered into (such as OTC derivatives, repurchase agreements, security lending etc.), the funds may find themselves exposed to risks arising from the solvency of their counterparties and from their ability to respect the condition of these contracts and the funds/investors may be adversely impacted.

### **5.6 Credit risk**

The funds may invest in debt obligations issued by governments and corporate. Investment in sovereign debts issued or guaranteed by governments as well as in corporate issues involves a high degree of risk, as default can occur if the government or corporate entity is not able or willing to repay the principal and/or interest when due. Fixed income securities are also exposed to the risk of being downgraded, which can adversely affect and/or result in a substantial loss to the funds. Additional risks for sovereign debt include the unilateral rescheduling of sovereign debt by the issuer and the limited legal resources available against a sovereign issuer, which may adversely affect the funds.

The ratings of debt securities by Moody's Investor Services, Standard & Poor's, Fitch's and other international credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint and do not guarantee the creditworthiness of the security and/or issuer at all times. The rating of an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

### **5.7 Credit rating downgrading risk**

The credit rating assigned to a debt instrument or its issuer may be re-evaluated and updated based on recent market events or specific developments. As a result, investment grade debt instruments may be subject to the risk of being downgraded to below investment grade debt instruments. Similarly, its issuer having an investment grade rating may be downgraded, for example, as a result of deterioration of its financial conditions. In the event of downgrading in the credit ratings of a debt instrument or an issuer relating to a debt instrument, a fund's investment value in such debt instrument may be adversely affected. Managers of the funds may or may not be able to dispose of the debt instruments, subject to the investment objectives of the relevant funds. In the event of investment grade debt instruments being downgraded to below investment grade debt instruments and such debt instruments continued to be held by the funds, the funds will also be subject to below investment grade debt instruments risk.

### **5.8 Liquidity risk**

A fund may not be able to easily sell securities that it invests in due to adverse market conditions, reduced value of debt instruments or deterioration of creditworthiness of issuers of debt instruments that it invests in. As a result, requests for redemption of units/shares of the fund may be deferred or suspended as the manager of the fund may not be able to dispose of the investments in a timely manner or at a reasonable price, thus affecting the return of the fund. Further, investments made by the fund may become illiquid or less liquid, in particular during periods of market turmoil or economic uncertainty. As such, the lowered liquidity of the investments of the fund would have an adverse impact on the ability of the fund to meet the redemption requests. Absence of liquidity of the investments affects the value of these investments and will have an adverse impact on the value and return of the fund, and therefore the investments of the scheme participants.

### **5.9 Derivative risk**

The use of financial derivative instruments may limit potential gains or be ineffective in hedging the risk exposure of the funds and may result in significant losses. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument. The use of financial derivative instruments may expose the funds to various types of

risk, including but not limited to, counterparty, liquidity, correlation, credit, volatility, valuation, OTC transaction risk, settlement risks and time decay risk of option/warrant premium, which may have an adverse effect on the net asset value of the funds. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment of the relevant fund may be liquidated at a loss.

### **5.10 Eurozone risk**

The funds may invest in the Eurozone. Mounting sovereign debt burdens (e.g., any sovereigns within the Eurozone, which default on their debts, may be forced to restructure their debts and faced difficulties in obtaining credit or refinancing) and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. The aforesaid economic and financial difficulties in Europe may spread across Europe and as a result, a single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In any event of the break-up of the Eurozone or Euro currency, the funds may be exposed to additional operational or performance risks. While the European governments, the European Central Bank, and other authorities are taking measures (e.g., undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, these measures may not have the desired effect and therefore the future stability and growth of Europe is uncertain. The performance and value of the funds may be adversely affected should there be any adverse credit events (e.g., downgrade of the sovereign credit rating or default or bankruptcy of any Eurozone countries).

### **5.11 Risk associated with investment in instruments with loss-absorption features**

Certain funds may invest in instruments with loss-absorption features where such instruments are typically subject to being written off or converted to ordinary shares on the occurrence of a trigger event which are likely to be outside of the issuer's control. A trigger event may include, for example, where the issuer's capital ratio falls below a specified level or when the issuer is near or at the point of non-viability. Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being partially or fully written off or converted to ordinary shares upon the occurrence of a pre-defined trigger events (e.g., when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments giving rise to losses of the funds. In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk. The funds may invest in contingent convertible debt securities,

commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price) or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The funds may also invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

## **5.12 Risks associated with specific nature of fund of funds**

Certain Investment Portfolios may invest in other fund(s) (i.e. underlying fund(s)). Investors should be aware of the specific features of a fund of funds and the consequences of investing in a fund of funds.

Investment Portfolios which are funds of funds may be exposed to risks affecting the underlying fund(s) that they invest in.

Furthermore, investment decisions of the underlying fund(s) are made at the level of such underlying fund(s). The managers of the Investment Portfolios have no ability to control the manner in which the managers of the underlying fund(s) will make investments. The performance of an underlying fund may depend on the investment selection made by the managers of the underlying fund(s). There is also no assurance that the selection of each underlying fund will result in an effective diversification of investment styles and that positions taken by the underlying fund(s) will always be consistent. No assurance can also be given that the strategies employed by the managers of the underlying fund(s) will be able to achieve the investment objective of the underlying fund(s) or the Investment Portfolios or achieve attractive returns. In cases where the managers of the underlying fund(s) decide to invest substantially in a particular industry or sector or asset class, the value of investments of the underlying fund(s), and therefore the value of investments of the relevant Investment Portfolios, may become more volatile compared to Investment Portfolios investing in underlying fund(s) with a more diverse portfolio of investments.

Investors may bear the recurring expenses of the Investment Portfolios in addition to the expenses of the underlying fund(s) and, therefore, the returns that they may obtain may not reflect the returns by investing directly in the underlying fund(s). Also, investment decisions of the underlying fund(s) are made at the level of such underlying fund(s) and it is possible that the managers of such underlying fund(s) will take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Consequently, there is a possibility that one underlying fund may purchase an asset at about the same time as another underlying fund may sell it. Transaction costs will be incurred in effecting the relevant transactions.

Moreover, the investments of the underlying fund(s) may be periodically rebalanced and therefore the Investment Portfolio may incur greater transaction costs.

Lastly, the underlying fund(s) in which the Investment Portfolio may invest may not be regulated by the SFC. There is also no guarantee that the underlying fund(s) will always have sufficient liquidity to meet the Investment Portfolio's redemption requests as and when made.

### **5.13 Concentrated geographical locations risk**

The funds' investments may be concentrated in specific geographical location. The value of the funds may be more volatile than that of a fund having a more diverse portfolio of investments. In particular, the investments of certain underlying funds may be concentrated in a specific geographical location or several geographical locations, which may result in the relevant Investment Portfolios being indirectly subject to concentration risk. Such indirect concentration may have the effect of increasing the volatility of the related Investment Portfolios' returns. The Investment Portfolios do not control the investments of the underlying funds and any indirect concentration is a result of the underlying funds pursuing their own investment objectives.

The value of the funds may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the market of the relevant countries/regions.

### **5.14 Risks relating to investments in an index tracking fund (whether listed or unlisted)**

A fund may invest in index tracking funds and are subject to the following risks:

#### **(a) Passive investment risk**

The composition of the respective market indices which are tracked by the funds may change and/or constituent securities may be delisted. The funds may be passively managed and their managers will not have the discretion to adapt to market changes due to the inherent investment nature of such funds. There is no guarantee or assurance that the performance of the funds will exactly replicate at any time the performance of the respective equity market indices.

#### **(b) Tracking error risk**

The funds may seek to track as closely as possible their respectively stated equity market indices. However, due to inherent tracking errors brought about by various factors, including, without limitation, the fees and charges payable by the funds, the performance of the funds may not track exactly the performance of the respective equity market indices. Managers of the funds will monitor the extent of the tracking errors of the underlying funds on an ongoing basis and may take appropriate actions as necessary. There can be no assurance of exact or identical replication at any time of the performance of the indices.

#### **(c) Trading risk**

The trading prices of units/shares in an index tracking fund on the SEHK or any other securities exchange may differ significantly from the net asset value of the units/shares

of such index tracking fund due to, disruptions to creations and realisations (for example, as a result of imposition of capital controls by a foreign government) and supply and demand forces in the secondary trading market for units/shares in the index tracking fund.

There can be no assurance that an active trading market will exist or maintain for units/shares of an index tracking fund on any securities exchange on which units/shares of an index tracking fund may trade. The units/shares of the index tracking funds in which a fund invests may be traded at substantial discounts or premiums to their net asset value, which may in turn affect the net asset value of a fund. As a fund will pay certain charges (e.g., trading fees and brokerage fees) to buy or sell units/shares on the SEHK or any other securities exchange, the fund may pay more than the net asset value per unit/share when buying units/shares on the SEHK or other securities exchange and may receive less than the net asset value per unit/share when selling units/shares on the SEHK or other securities exchange.

The units/shares in an index tracking fund in the Renminbi counter are Renminbi denominated securities traded on the SEHK and settled in CCASS. Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the Renminbi traded units/shares. The limited availability of Renminbi outside the Mainland China may also affect the liquidity and trading price of the Renminbi traded units/shares.

#### **(d) Regulatory policies risk**

Regulatory policies may affect the ability of the manager of an index tracking fund to achieve close correlation with the tracking index for the relevant index tracking fund. The return from investing in an index tracking fund may therefore deviate from that of its tracking index and thus the return of the funds may be affected.

#### **(e) Trading differences risk**

As the relevant stock exchanges may be open when units/shares in the index tracking fund that a fund invests in are not priced, the value of the securities in the index tracking fund's portfolio may change on days when the relevant fund will not be able to purchase or sell the index tracking fund's units/shares. Differences in trading hours between relevant stock exchanges and the SEHK may also increase the level of premium or discount of the unit/share price to its net asset value.

China A-Shares are subject to trading bands which restrict increase and decrease in the trading price. Units/shares listed on the SEHK are not. This difference may also increase the level of premium or discount of the unit/share price to its net asset value.

#### **(f) Termination risk**

The index tracking fund that a fund invests in may be terminated early under certain circumstances, for example, where the index is no longer available for benchmarking or if the size of the index tracking fund falls below a pre-determined net asset value threshold as set out in the constitutive documents and offering documents of the index



tracking fund. The relevant fund may not be able to recover its investments and suffer a loss when the index tracking fund is terminated.

#### **(g) Reliance on market maker risk**

Although the manager of the index tracking fund that a fund invests in will ensure that at least one market maker will maintain a market for the units/shares traded in each counter and that at least one market maker to each counter gives not less than three months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the units/shares may be adversely affected if there is no or only one market maker for units/shares traded in the relevant currency. There is also no guarantee that any market making activity will be effective.

#### **(h) Underlying index related risk**

There can be no assurance of exact or identical replication at any time of the performance of the underlying index of an index tracking fund. Market disruptions and regulatory restrictions could have an adverse effect on the index tracking fund's ability to adjust its exposure to the required levels in order to track the underlying index. Errors in index data may occur from time to time and may not be identified and corrected for a period of time and may have an adverse impact on the index tracking fund and the relevant fund.

The securities that constitute the underlying index are changed by the index provider from time to time. Where the underlying index is rebalanced, any transaction costs arising from the index tracking fund corresponding rebalancing will be borne by the index tracking fund.

#### **(i) Futures and security lending risk**

Index tracking funds may acquire futures contracts, options and forward currency transactions for the purpose of hedging against market and exchange rate risks, and may enter into securities lending transactions or repurchase agreements. There can be no assurance, however, that the objective sought to be attained from the use of these techniques and instruments will be achieved. Entering into such instrument is subject to key risk factors including counterparty/credit risk and liquidity risk. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, an index tracking fund in which a fund invests could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. In the worst case scenario, the index tracking fund may not be able to recover the securities loaned, which could result in significant losses on the part of the fund.

### **5.15 China market risk**

Investing in the PRC market is subject to certain risks of investing in emerging markets generally and the risks specific to the PRC market.

Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of

the PRC economy, moving from the previous planned economy system. However, many of the economic measures may be subject to adjustment and modification. The relevant funds and their investors may be affected by the uncertainties or changes in government policies, promulgation of foreign currency and monetary policies and tax regulations.

The regulatory and legal framework for capital markets and joint stock companies in the PRC is still developing. PRC accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the PRC securities markets may be different from other countries/regions in respect of the level of maturity and development.

Investments in equity interests of PRC companies may be made through China A-Shares, China B-Shares and China H-Shares. The PRC stock market may experience price volatility.

Investment in Renminbi denominated fixed income securities may be made outside the PRC. As the number and the total market value of these securities are relatively small compared to more developed markets, investments in these securities may be subject to increased price volatility and lower liquidity. In particular, it should be noted that Renminbi is currently not freely convertible and is subject to foreign exchange controls and repatriation restrictions imposed by the government of the PRC. There is no assurance that Renminbi will not be subject to devaluation. Any devaluation of the Renminbi could adversely affect the performance of the fund. Although offshore Renminbi (CNH) and onshore Renminbi (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions in Renminbi may be delayed due to exchange controls and restrictions applicable to Renminbi.

Investors should also be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the relevant funds. Laws governing taxation will continue to change which may affect the performance of the relevant funds.

## **5.16 Risks related to investments via the Stock Connect**

The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. Where a suspension in the trading through the programme is affected, a fund's ability to invest in China A-Shares or access the PRC market through the programme will be adversely affected. In such event, a fund's ability to achieve its investment objective could be negatively affected.

### **(a) Quota limitations**

Trading under the Stock Connect will be subject to a daily quota ("**Daily Quota**"). The Daily Quota limits the maximum net buy value of cross boundary trades under each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect each day. SEHK will monitor the quota and publish the remaining balance of

the Northbound Daily Quota of each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect at scheduled times on the HKEX's website.

Once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a fund's ability to invest in China A-Shares through the Stock Connect on a timely basis, and the relevant fund may not be able to effectively pursue its investment strategies.

#### **(b) Clearing and settlement risk**

The China A-Shares traded through the Stock Connect are issued in scripless form, so investors will not hold any physical China A-Shares. Hong Kong and overseas investors who have acquired China A-Shares listed in the SSE through the Shanghai-Hong Kong Stock Connect Scheme ("**SSE Securities**") and China A-Shares listed in the SZSE through the Shenzhen-Hong Kong Stock Connect Scheme ("**SZSE Securities**") through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS.

The HKSCC and ChinaClear have established the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### **(c) Currency risk**

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in Renminbi only. Hence, a fund will need to use Renminbi to trade and settle SSE Securities and SZSE Securities. If a fund is denominated in a currency other than Renminbi (e.g., USD), the performance of such fund may be affected by movements in the exchange rate between Renminbi and that other currency (e.g., USD). The funds may, but is not obliged to, seek to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. On the other hand, failure to hedge foreign currency risks may result in the relevant fund suffering from exchange rate fluctuations. For further details, please refer to the risk factor headed "Exchange rate risk" above.

#### **(d) Trading fees**

Under the Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant PRC authority when they trade and settle SSE Securities and SZSE Securities. Further information about the trading fees and levies is available online at HKEX's website.

#### **(e) No protection by China Securities Investor Protection Fund**

Investment through the Stock Connect is conducted through brokers and is subject to the risks of default by such brokers in their obligations.

As a fund carries out Northbound trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund.

#### **(f) Corporate actions and shareholders' meetings**

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities and SZSE Securities.

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("**CCASS Participants**") informed of all such corporate actions that require CCASS Participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS Participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

The HKSCC will keep CCASS Participants informed of corporate actions of SSE Securities and SZSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Hong Kong and overseas investors (including the funds) are holding SSE Securities and SZSE Securities traded via the Stock Connect through their brokers or custodians, and they will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e., CCASS Participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be very short. Therefore, it is possible that a fund may not be able to participate in some corporate actions in a timely manner.

#### **(g) Foreign shareholding restrictions**

CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- shares held by a single foreign investor (such as a fund) investing in a listed company must not exceed 10% of the total issued shares of such listed company; and
- total shares held by all foreign investors (i.e., Hong Kong and overseas investors) who make investment in a listed company must not exceed 30% of the total issued shares of such listed company.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the abovementioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE or SZSE (as the case may be) and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

#### **(h) Operational risk**

The Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC stock markets directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. A fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

#### **(i) Regulatory risk**

The Stock Connect will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the current regulations and rules on the Stock Connect are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished. The funds, which may invest in the Mainland China markets through the Stock Connect, may be adversely affected as a result of such changes.

#### **(j) Suspension risk**

Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary, for ensuring an orderly and fair market and that risks are managed prudently. Where a suspension in the Northbound trading through the Stock Connect is effected, a fund's ability to access the Mainland China market will be adversely affected.

#### **(k) Restrictions on selling imposed by front-end monitoring**

Mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise, SSE or SZSE will reject the sell order concerned.

SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e., the stockbrokers) to ensure there is no over-selling.

Generally, if a fund desires to sell certain China A-Shares it holds, it will be required to transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**") unless its broker can otherwise confirm that the fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a fund may not be able to dispose of holdings of China A-Shares in a timely manner.

However, a fund may request a custodian to open a special segregated account ("**SPSA**") in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating an order routing system set up by the SEHK to verify the holdings of an investor such as a fund. Provided that there is sufficient holding in the SPSA when a broker inputs a fund's sell order, the fund will be able to dispose of its holdings of China A-Shares (as opposed to the practice of transferring China A-Shares to the broker's account under the current pre-trade checking model for non-SPSA accounts). Opening of the SPSA accounts for the fund will enable it to dispose of its holdings of China A-Shares in a timely manner.

#### **(l) Differences in trading days**

The Stock Connect will only operate on days when both the PRC and the Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. So, it is possible that there are occasions when it is a normal trading day for the PRC stock markets but Hong Kong investors (such as a fund) cannot carry out any China A-Shares trading. Due to the differences in trading days, a fund may be subject to a risk of price fluctuations in China A-Shares on a day

that the PRC stock markets are open for trading, but the Hong Kong stock market is closed.

**(m) Recalling of eligible stocks**

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of a fund, for example, when the manager of the fund wishes to purchase a stock which is recalled from the scope of eligible stocks.

**(n) Taxation risk**

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of the Stock Connect on a fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the relevant fund may adversely affect such fund's value.

**5.17 Specific risks associated with investment in the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund**

**(a) Guarantor/Insurer risk**

The guarantee of a scheme participant's investments in, and the value of each of the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund, are subject to the risk of the Guarantor or Insurer (as applicable) not being able to meet the guarantee obligations. In the worst-case scenario, a scheme participant who invests into these Investment Portfolios may suffer a significant loss to his/her investments if the Guarantor or Insurer defaults.

**(b) Dilution of performance risk**

Due to the guarantee structure of each of the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund, there may be dilution of performance because part of the investment returns of these Investment Portfolios may need to be set aside to support the respective guarantee.

**(c) Investment risk**

Potential returns of each of the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund in excess of the guaranteed amount are subject to investment risks and are not guaranteed.

**(d) Risk of not being entitled to any guarantee**

The entitlement to the guarantee is conditional upon the member's or external retirement scheme investor's continued investment in the AIA Guaranteed Fund or the AIA Capital Guaranteed Fund (as the case may be) until the end of each Scheme Year or calendar year (as the case may be). Investments which fail to meet such condition are fully exposed to fluctuations in the value of the assets of the AIA Guaranteed Fund or the AIA Capital Guaranteed Fund (as the case may be).

## **5.18 Specific risks associated with investment in the AIA Global Bond Fund**

### **Credit and sovereign debt risk**

Certain developing and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations (“**sovereign debt**”) issued or guaranteed by governments or their agencies (“**government entities**”) of such countries involves a higher degree of risk and may be exposed to political, social and economic risks. In the event that government entity defaults on its sovereign debt, holders of sovereign debt, including the funds, may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant government entity. Such events may negatively impact the performance of the funds.

## **5.19 Specific risks associated with investment in the AIA Hong Kong Equity Fund**

### **Risks related to investment in China market access products**

The Investment Portfolio may also invest in China market access products (“**CAAPs**”) and/or funds that invest in CAAPs which do not have an active secondary market. The CAAPs do not provide the funds with any legal or equitable interest of any type in the underlying China A-Shares or the relevant basket of China A-Shares to which the CAAP(s) are linked, and the funds will not in any way own the underlying China A-Shares.

Investment in CAAPs can have greater liquidity risk as there may not be an active market in CAAPs. In order to liquidate investments, the funds rely upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs. The funds are therefore subject to counterparty risk associated with each CAAP issuer and may suffer losses potentially equal to the full value of the CAAPs issued by a CAAP issuer if such CAAP issuer fails to perform its obligations under the CAAP. The funds are therefore exposed to the credit risk of the CAAP issuer(s). Any loss would result in a reduction in the net asset value of the funds and impair the ability of the funds to achieve their investment objective to track the relevant index.

In the event of any default by, or any material adverse change concerning a CAAP issuer or collateral provider (if any), dealing of the units in the funds may be suspended, the funds may suffer very significant losses and the funds may ultimately be terminated.

The CAAP issuers are predominantly financial institutions and this, in itself, may pose a concentration risk. These financial institutions may be inter-connected. Any adverse event affecting the performance of a particular CAAP issuer may also have a negative impact on the performance of other CAAP issuer(s) due to contagion effect.

The managers of the funds will seek to obtain collateral to mitigate its exposure to each CAAP issuer. However, this is subject to the risk of the collateral provider not fulfilling its obligations. There is a further risk that in the event that the holders of the CAAP may need to exercise its right against the collateral, the market value of the



collateral could be substantially lower than the amount secured and so the funds may suffer significant losses.

## 6. Fees and Charges

### 6.1 Charges which may be Payable by Scheme Participants

With respect to each Investment Portfolio, scheme participants may have to pay the following fees and charges when dealing in the Investment Portfolio:

Fee	What scheme participants pay												
<b>Subscription fee</b>	Nil												
<b>Switching fee</b>	<ul style="list-style-type: none"> <li>• Where switching requests are submitted via AIA's Interactive Website, mobile app or Interactive Voice Response System: Nil</li> <li>• Where switching requests are submitted via other means:               <ul style="list-style-type: none"> <li>➢ nil for the first switching request</li> <li>➢ an administration fee of HK\$100 for each additional switching request in an Employer Plan Year/Deferred Member Plan Year (as the case may be), provided that with respect to a participating employer's Retirement Plan a minimum of HK\$2,000 per participating employer's Retirement Plan for each submission will apply</li> </ul> </li> </ul>												
<b>Redemption fee</b>	Nil												
<b>Administration charge</b>	<p><u>Annual plan charge</u> - HK\$1,000</p> <p><u>Annual membership charge</u> - HK\$12 per member for the first 500 members and HK\$10 per member on the excess over 500 members</p> <p><u>Contribution charge</u> - subject to the agreement between the Trustee and the participating employer, a percentage not exceeding 5% p.a. of the annual contributions</p>												
<b>Annual ORSO-related charge</b>	Auditor fee and solicitor fee - not exceeding HK\$1,000												
<b>Early termination charge</b>	<p>An early termination charge is applicable if the participating employer withdraws from the Scheme by giving 31-day notice in writing to the Trustee in the first five Scheme Years as follows (a "<b>Scheme Year</b>" is defined as the first 12 months of a participating employer's or external retirement scheme investor's participation and each 12 months' period after that):</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th><u>Scheme Year</u></th> <th><u>% of Plan Asset Value</u></th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup></td> <td>5%</td> </tr> <tr> <td>2<sup>nd</sup></td> <td>4%</td> </tr> <tr> <td>3<sup>rd</sup></td> <td>3%</td> </tr> <tr> <td>4<sup>th</sup></td> <td>2%</td> </tr> <tr> <td>5<sup>th</sup></td> <td>1%</td> </tr> </tbody> </table>	<u>Scheme Year</u>	<u>% of Plan Asset Value</u>	1 <sup>st</sup>	5%	2 <sup>nd</sup>	4%	3 <sup>rd</sup>	3%	4 <sup>th</sup>	2%	5 <sup>th</sup>	1%
<u>Scheme Year</u>	<u>% of Plan Asset Value</u>												
1 <sup>st</sup>	5%												
2 <sup>nd</sup>	4%												
3 <sup>rd</sup>	3%												
4 <sup>th</sup>	2%												
5 <sup>th</sup>	1%												

	6th or onwards	0%
--	----------------	----

Additional costs and expenses arising as a result of specific requests made by an employer and/or member, which are incurred by the Trustee and/or the Administrator as a result of such specific request, will be borne by that such employer and/or member. If the employer and/or member fails to pay for such costs and expenses, the Trustee may redeem the necessary credited units of such employer and/or member with their respective consents (as applicable), to settle such costs and expenses so incurred by the Trustee and/or the Administrator.

## **6.2 Ongoing Fees Payable by the Investment Portfolios**

For details of the fees and charges payable by the Investment Portfolios, please refer to the Summary of Fees and Charges table appended as Appendix C to this Principal Brochure and the Investment Portfolio Fact Sheets.

Any increase to an Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

## **7. Miscellaneous**

### **7.1 Scheme Documents**

Scheme participants may view the latest Principal Brochure, notices, announcements, and the latest available fund prices of the Investment Portfolios at [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

### **7.2 Governing Law and Jurisdiction**

The Scheme and its Investment Portfolios were incorporated in Hong Kong and shall be construed according to the laws of Hong Kong and it is acknowledged that the parties concerned have the right to bring legal action in a Hong Kong court of law as well as in any court elsewhere which has a relevant connection to the Scheme.

### **7.3 Amendment to the Scheme's Trust Deed**

The Trustee may by way of a deed amend the Trust Deed. The Trustee will give one month's or such shorter period of notice as permitted by the applicable regulatory requirements for any alteration to the Trust Deed.

### **7.4 Deferral or Suspension of Dealing**

The Management Company may, in consultation with the Trustee and having regard to the best interests of the scheme participants, declare the deferral or suspension in dealing for an Investment Portfolio. Any outstanding requests for realisation of units received prior to or during the suspension or deferral will be actioned after the suspension or deferral is declared by the Management Company to be lifted.

A deferral or suspension of dealing in respect of an Investment Portfolio may occur only during any of the following:

- (i) any period when any market on which a material part of the securities or other property for the time being comprised in the relevant Investment Portfolio is quoted, listed or dealt in is closed otherwise than for ordinary holidays;
- (ii) any period when dealings on any such market are restricted or suspended;
- (iii) during the existence of any state of affairs as a result of which disposal of a material part of the securities or other property for the time being comprised in the relevant Investment Portfolio cannot, in the opinion of the Management Company, after consultation with the Trustee, be effected normally or without seriously prejudicing the interests of beneficiaries;
- (iv) during any breakdown in the means of communications normally employed in determining the net asset value of the relevant Investment Portfolio or when for any other reason the net asset value of any securities or other property for the time being comprised in the relevant Investment Portfolio cannot be promptly and accurately ascertained in the opinion of the Management Company, after consultation with the Trustee;
- (v) any period when the realisation of a material part of the securities or other property for the time being comprised in the relevant Investment Portfolio or the transfer of funds involved in such realisation cannot, in the opinion of the Management Company, after consultation with the Trustee, be effected at normal prices or normal rates of exchange in good faith and in a commercially reasonable manner without prejudicing the interests of beneficiaries;
- (vi) any period, in the opinion of the Management Company, after consultation with the Trustee, and in good faith and in a commercially reasonable manner, when the payment or receipt of the proceeds of the realisation of a material part of the securities or other property comprised in the relevant Investment Portfolio is the subject of delay due to exceptional circumstances which are out of the reasonable control of the Management Company;
- (vii) any period where there exists exceptional circumstance which is out of the reasonable control of the Management Company such that it would, in the opinion of the Management Company, after consultation with the Trustee, and in good faith and in a commercially reasonable manner, be detrimental to the beneficiaries to continue dealing in the units of the relevant Investment Portfolios; and
- (viii) any period where suspension is required for the purpose of implementing a restructuring or merger proposal under which the Scheme is to be restructured or merged into other retirement fund.

Any declaration of a deferral or suspension in dealing of an Investment Portfolio shall

be consistent with any applicable legislation and regulation and will not cause the Management Company or the Trustee to contravene such legislation and regulation.

## **7.5 Duration and Termination of the Scheme**

The Scheme will continue to be in force until the earlier of (i) the expiration of a period of 80 years from the date of establishment (i.e. 1 December 1987) on 30 November 2067 or such longer period as may be allowed by law; and (ii) the termination of the Scheme by the Trustee (as detailed below).

In accordance with the Trust Deed, the Trustee may, subject to the consent of AIA Company Limited, determine to terminate the Scheme at the expiration of the period of at least three months' notice. Notice will be given to scheme participants if the Scheme is terminated, and such notice will contain the reasons for the termination, termination arrangements, alternatives available to scheme participants and expected costs involved with the termination. Where the Trustee decides to terminate the Scheme, the unclaimed proceeds of scheme participants during the termination process may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

## **7.6 FATCA**

Under the FATCA provisions of the US Hiring Incentives to Restore Employment (HIRE) Act, 30% US withholding may be levied on certain US sourced income received, gross proceeds received on sales of the assets giving rise to US sourced dividend or interest income, and any payments that are classified as "Foreign Passthru Payments" as defined below in each case when paid to a FFI that does not comply with FATCA or a Non-Financial Foreign Entity that does not comply with certain documentation requirements. FATCA imposes withholding on certain payments known as "Foreign Passthru Payments" from FFIs regardless of whether such payments have any connection to US source payments. The IRS and the US Treasury Department have not issued implementing guidance regarding FATCA withholding on Foreign Passthru Payments.

FATCA applies to the Scheme because the Scheme is an FFI under FATCA. In general, there should be no withholding on payments to an FFI that complies with FATCA. Under US Treasury Regulations, FATCA compliance can be achieved by the Scheme entering into and being compliant with the terms of an FFI agreement with the IRS under which the Scheme would, among other things, provide certain US tax reporting with respect to the holdings of and payments to certain members or external retirement scheme investors (as the case may be) in the Scheme, including members or external retirement scheme investors (as the case may be) identified as US persons.

The Scheme is subject to the Hong Kong IGA under which the Scheme is required to comply with FATCA, as implemented through the Hong Kong IGA and through applicable provisions of the US Treasury Regulations issued under FATCA, and report any FATCA-required information to the IRS. The Hong Kong IGA modifies certain FATCA requirements set forth in the US Treasury Regulations but generally requires similar information to be disclosed to the IRS. The Scheme intends to comply with

FATCA and does not expect to be subject to the 30% FATCA withholding tax on payments received by the Scheme. In addition, the Scheme will not impose FATCA withholding on any payments made to members or external retirement scheme investors (as the case may be) unless the Scheme is required to withhold under FATCA. The Scheme expects that such FATCA withholding will not be required until the date of publication in the US Federal Register of final regulations defining the term “Foreign Passthru Payment” for FATCA purposes. The Scheme has agreed to be subject to the terms of an FFI agreement and has registered with the IRS. However, there can be no assurance that the Scheme can remain FATCA compliant given the complexities of the FATCA requirements.

The Scheme may require a member or external retirement scheme investor (as the case may be) to (i) provide the Scheme with personal information (e.g. his/her status as a US or non-US person and, if he/she is a US person, his/her US federal taxpayer identification number), and (ii) consent to the Scheme reporting such personal information, his/her other account information and any information relating to any other account held by such member or external retirement scheme investor (as the case may be), to the IRS where applicable. If a member or external retirement scheme investor (as the case may be) fails to comply with requests from the Scheme relating to FATCA, the Scheme may be required to reflect such information of the member or external retirement scheme investor (as the case may be) when the Scheme reports information relating to aggregated account balance for, and the number of, non-consenting US accounts to the IRS.

Prospective members or external retirement scheme investors (as the case may be) should consult their own tax advisers regarding the possible implications of FATCA on their holding interests in the Scheme and the information that may be required to be provided and disclosed to the Scheme and the Trustee, and in certain circumstances ultimately to the IRS. The application of the FATCA withholding rules and the information that may be required to be reported and disclosed are subject to change.

Any discussion of US federal income tax considerations herein is not intended or written to be tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any US federal tax penalties that may be imposed on such person. A prospective member or external retirement scheme investor (as the case may be) should seek advice from his/her own tax advisor based on his/her particular circumstances and with respect to his/her own FATCA status and the effects of the implementation of FATCA.

## **7.7 Liquidity Risk Management**

The Management Company has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Investment Portfolios and to ensure that the liquidity profile of the respective Investment Portfolios will facilitate compliance with its obligation to meet redemption requests. The Management Company's liquidity risk management policy takes into account the investment strategy, liquidity profile, and withdrawal rules of the Scheme. Such policy involves the monitoring of the profile of investments held by the respective Investment Portfolios on an on-going basis and includes details on periodic stress testing carried out by the Management Company on Investment Portfolios, where applicable, to manage the

liquidity risks under normal and stressed or extreme market conditions.

The liquidity risk management policy is carried out by the Management Company's liquidity risk management function which is functionally independent from the portfolio investment function. The oversight of the liquidity risk management function will be performed by a risk management committee, or an equivalent committee, consisting of responsible officers and senior staff such as the head of compliance and risk, head of investments, head of strategies and products, head of investment services. The committee generally meets on a monthly basis. The liquidity of each Investment Portfolio will be monitored regularly commensurate to the Investment Portfolio's liquidity profiles of such Investment Portfolio's assets and liabilities, obligations and redemption policies as well as market conditions. Exceptions on liquidity risk related issues will be escalated to the risk management committee, or an equivalent committee.

The liquidity risk management policy, together with the Management Company's liquidity risk management tools, seeks to achieve fair treatment of the scheme participants and to safeguard the interests of the scheme participants. The liquidity risk management tools that may be employed by the Management Company may include (i) suspension of determination of NAV (as detailed under section 7.4); (ii) deferral or suspension of redemption (as detailed under section 7.4); and/or (iii) temporary borrowing (as detailed under section 4.2(b)).

In practice, the Management Company will consult the Trustee and have regard to the best interests of the scheme participants before the use of any liquidity risk management tools. While these tools are intended to reduce the impact of any potential liquidity risk, scheme participants should note that there is a risk that the tools may be ineffective to manage any such liquidity risk (please refer to section 5 for more details).

## **8. Investment Portfolio Fact Sheets**

### **8.1 Information on Each of the Investment Portfolios**

Each Investment Portfolio under the Scheme is subject to different (i) investment objectives and policies; (ii) risks; (iii) fees and charges; and (iv) valuation, pricing and dealing arrangements. The information with respect to each Investment Portfolio is set out under the respective Investment Portfolio Fact Sheets in Appendix A to this Principal Brochure.

### **8.2 Information on Certain Underlying Funds of the Investment Portfolios**

Relevant information on certain underlying funds invested into by the Investment Portfolios is set out under the respective Investment Portfolio Fact Sheets.

For an underlying fund which is invested into by one or more Investment Portfolio and the allocation to such underlying fund exceeds 30% of the Investment Portfolio's net asset value, please refer to the relevant information on such underlying fund in Appendix B to this Principal Brochure.

## 9. Glossary

For the purposes of this Principal Brochure, unless otherwise specifically expressed, the following terms shall have the following meanings:

**"Administrator"** means AIA International Limited.

**"AIA Group"** means AIA Group Limited and/or its subsidiaries.

**"Approved ITCIS"** means an index-tracking collective investment scheme, as defined in section 1(1) of schedule 1 to the General Regulation, approved by the MPFA for the purposes of section 6A of schedule 1 to the General Regulation.

**"Approved Pooled Investment Fund"** means an investment fund, as defined and approved by the MPFA under section 6 of the General Regulation.

**"Business Day"** means any day (other than a Saturday) on which banks in Hong Kong are open for normal banking business provided that where, as a result of a typhoon signal number 8 (or above) or a black rainstorm warning or other similar event, the period during which banks in Hong Kong are open for normal banking business on any day is reduced, any such day shall not be a "Business Day" unless the Trustee otherwise determines.

**"CCASS"** means the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK.

**"China A-Shares"** means shares issued by companies listed on either the SSE or the SZSE in the Mainland China, traded in Renminbi and available for investment by domestic (Mainland Chinese) investors, holders of QFII status, RQFII status and foreign strategic investors approved by the CSRC.

**"China B-Shares"** means shares issued by companies listed on either the SSE or the SZSE in the Mainland China, traded in foreign currencies and available for investment by domestic (Mainland Chinese) investors and foreign investors.

**"ChinaClear"** means the China Securities Depository and Clearing Corporation Limited.

**"China H-Shares"** means shares issued by companies incorporated in the Mainland China and listed on the SEHK and traded in HKD.

**"Connected Person"** has the same meaning as ascribed to it in PRF Code.

**"CSRC"** means the China Securities Regulatory Commission.

**"Custodian"** means Citibank, N.A..

**"Deferred Member"** means a member of the Scheme who has successfully applied under the constitutive documents of the Scheme for a deferred payment of his benefit under the Scheme and who has not been paid his benefit in accordance with the constitutive documents of the Scheme.

**"Deferred Member Plan Year"** means each calendar year.

**"Employer Plan Year"** means, with respect to a Retirement Plan, each relevant plan

year as notified by the Trustee to the relevant employer from time to time.

"**ETF**" means an exchange-traded fund.

"**external retirement scheme investor**" means either the trustee of an external retirement scheme (i.e. a retirement scheme other than the Scheme) or any investor of assets of an external retirement scheme or the Scheme (to the extent that such assets are to be invested in accordance with the rules of the Trust Deed). "investor", for the purpose of an "external retirement scheme investor", means either a company authorised under the Insurance Ordinance (Cap. 41 of the laws of Hong Kong) to carry on insurance business, or a corporation licensed to carry on, or an authorised financial institution registered for carrying on, a business in asset management under Part V of the SFO.

"**Eurozone**" means a geographic and economic region that consists of all the European Union countries that have fully incorporated the Euro as their national currency.

"**FATCA**" means the Foreign Account Tax Compliance Act of the US.

"**FFI**" means a foreign financial institution under FATCA.

"**General Regulation**" means the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A of the laws of Hong Kong).

"**Guarantor**" means AIA Company Limited.

"**HKD**" or "**HK Dollars**" means the currency of Hong Kong.

"**HKEX**" means the Hong Kong Exchanges and Clearing Limited.

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Hong Kong IGA**" means the Model 2 Intergovernmental Agreement between Hong Kong and the US.

"**Insurer**" means AIA Company Limited.

"**Interactive Voice Response System**" means the official voice response system in which a scheme participant may get access to the Scheme related information.

"**Interactive Website**" means the official website in which a scheme participant may get access to Scheme related information.

"**Investment Portfolio**" means an investment portfolio under the Scheme.

"**Investment Portfolio Fact Sheet**" means an investment portfolio fact sheet containing the relevant information of an Investment Portfolio.

"**IRS**" means the US Internal Revenue Service.

"**Management Company**" means AIA Investment Management HK Limited.

"**MPFA**" means the Mandatory Provident Fund Schemes Authority established under



the MPFSO.

"**MPFSO**" means the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong)

"**NAV**" means net asset value.

"**ORSO**" means the Occupational Retirement Schemes Ordinance (Cap. 426 of the laws of Hong Kong).

"**PBOC**" means the People's Bank of China.

"**PRC**" or "**Mainland China**" or "**Mainland Chinese**" means the People's Republic of China.

"**PRF Code**" means the Code on Pooled Retirement Funds issued by the SFC.

"**Principal Brochure**" means this principal brochure.

"**Product Key Facts Statement**" means a product key fact statement of a SFC authorised scheme prepared pursuant to paragraph 6.2A of the UT Code.

"**Product Provider**" has the same meaning ascribed to it in the PRF Code.

"**QFII**" means qualified foreign institutional investor approved pursuant to the relevant laws and regulations of Mainland China (as amended from time to time).

"**Registrar**" means the registrar of occupational retirement schemes (as defined in ORSO). The MPFA assumes the role of the Registrar.

"**Retirement Plan**" means a retirement plan established by an employer who executes a deed of participation to adhere to the Scheme as governed by the Trust Deed.

"**RQFII**" means Renminbi qualified foreign institutional investor approved pursuant to the relevant laws and regulations (as amended from time to time).

"**Scheme**" means the AIA Retirement Fund Scheme.

"**SEHK**" means The Stock Exchange of Hong Kong Limited.

"**SFC**" means the Securities and Futures Commission of Hong Kong.

"**SFO**" means the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

"**Shanghai-Hong Kong Stock Connect**" means the mutual stock market access programme between the SSE and the SEHK.

"**Shenzhen-Hong Kong Stock Connect**" means the mutual stock market access programme between the SZSE and the SEHK.

"**SSE**" means the Shanghai Stock Exchange.

"**Stock Connect**" means the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

"**SZSE**" means the Shenzhen Stock Exchange.

**"Trust Deed"** means the deed of establishment (including the rules attached thereto) dated 1 December 1987, as amended from time to time, which established the Scheme.

**"Trustee"** means AIA Company (Trustee) Limited.

**"unit price"**, in relation to each Investment Portfolio (excluding the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund), means the net asset value of the relevant Investment Portfolio divided by the number of outstanding units with respect to the Investment Portfolio.

**"US"** means the United States of America.

**"USD"** or **"US Dollars"** means the currency of the US.

**"UT Code"** means the Code on Unit Trusts and Mutual Funds issued by the SFC.

- End -

For more information about the Scheme, please contact our hotline at 2100 1888/2200 6288.

Note: For the full meaning and effect of this Principal Brochure, the provisions herein should be read in the context of the constitutive documents of the Scheme which include the Trust Deed, and the appropriate deed of participation between the Trustee and the relevant employer, as may be amended from time to time.

## Appendix A - Investment Portfolio Fact Sheets

### AIA Guaranteed Fund

#### Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Guarantor:</b>	AIA Company Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily (except for switching-out of this Investment Portfolio to other Investment Portfolios, which dealing frequency would be yearly i.e. for members (not Deferred Members): each Employer Plan Year; and for Deferred Members: each Deferred Member Plan Year)

#### Objectives and investment policy

##### Objectives

The AIA Guaranteed Fund (the "**Investment Portfolio**") aims to generate a secured source of high recurring income over the long run and the guarantee of capital by investing in prudent, balanced fixed income instruments and equities with low to medium inherent risk.

##### Investment policy

The Investment Portfolio may hold ancillary cash or cash based investments for operational purpose. The following is an indicative asset allocation of the Investment Portfolio:

<b>Asset Class</b>	<b>Range</b>
Bonds and Other Fixed Income Instruments	87% - 98%
Preferred/Common Stocks	0% - 7%
Cash	2% - 6%

Note: The above asset allocation is for reference only and may vary with changing market conditions subject to the Management Company's discretion.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. Please refer to section 4.2 of the Principal Brochure for details.

## **What is the capital guarantee mechanism and the discretionary benefits?**

### **1. Key terms and conditions of the guarantee**

The Guarantor agrees and undertakes to satisfy the capital guarantee under the Investment Portfolio in accordance with the Investment Portfolio Fact Sheet. The Investment Portfolio provides for an annual capital guarantee at the end of each Scheme Year (as defined below) on any amount invested in the Investment Portfolio (after deduction for payment of trustee fee (deducted monthly)), subject to the conditions set out below under "2. Entitlement of scheme participants".

For the purpose of the Investment Portfolio, a "**Scheme Year**" is defined as the first 12 months of a participating employer's or external retirement scheme investor's participation and each 12 months' period after that.

The Trustee, in consultation with the Guarantor, will declare a monthly interim yield (which may be negative) at the Trustee's discretion, taking into account the net investment income, to be credited to or debited from the Investment Portfolio at the end of each calendar month. This monthly interim yield is determined in the following manner:

- (i) The gross investment income of the Investment Portfolio of the month is calculated according to the prevailing generally accepted accounting principles.
- (ii) The net investment income of the Investment Portfolio is equivalent to the gross investment income deducted by the fees and charges of the Investment Portfolio (i.e. costs, charges, taxes and expenses related to registration, auditing, custodial services and investments which shall be charged against the Investment Portfolio).
- (iii) Scenarios (a) to (c) set out the relationship among the net investment income, the monthly interim yield and the Reserve (as defined in "3. Reserve mechanism"):
  - (a) In cases where the net investment income is greater than the monthly interim yield, an amount equal to the difference between the net investment income and the monthly interim yield will be transferred into the Reserve.
  - (b) In cases where the net investment income is less than the monthly interim yield, an amount equal to the shortfall will be transferred out of the Reserve to provide the monthly interim yield, and, where the Reserve is insufficient to bear such

shortfall, the Guarantor will make up the shortfall to ensure that the capital guarantee is fulfilled.

- (c) In cases where the net investment income is equal to the monthly interim yield, no amount will be transferred into or out of the Reserve.

Scenarios (a) to (c) apply regardless of whether the net investment income or the monthly interim yield is positive or negative.

The Trustee in declaring the monthly interim yield will exercise its discretion to determine whether the monthly interim yield should include any amount in excess of the capital guarantee amount. Any amount in excess of the capital guaranteed amount is considered discretionary benefit. The discretionary benefit declared by the Trustee, if any, could be nominal.

Where the balance of the relevant member or an external retirement scheme investor in his/her account as at the end of the Scheme Year is less than the opening balance of the Scheme Year plus the contribution, net of redemptions (if applicable) during that Scheme Year, such shortfall will be borne by the Reserve. However, where the Reserve is insufficient to bear such shortfall, the Guarantor will make up the shortfall to ensure that the capital guarantee is fulfilled.

The Guarantor reserves the right at its sole discretion to change/reduce the capital guarantee by giving a six-month advance notice.

Due to the guarantee structure of the Investment Portfolio, there may be dilution of performance.

## **2. Entitlement of scheme participants**

A member's or external retirement scheme investor's entitlement to the capital guarantee under the Investment Portfolio for each Scheme Year will be subject to the member's or external retirement scheme investor's continued investment in the Investment Portfolio until the end of each Scheme Year.

If a member or an external retirement scheme investor (as the case may be) switches out his/her investment from the Investment Portfolio before the end of the Scheme Year for any reason, the guarantee of capital will not apply and the member or the external retirement scheme investor would be entitled to his/her contribution and the monthly interim yield that has been declared and credited to or debited from his/her account on or before the date of switching. In addition, a member or an external retirement scheme investor who switches out his/her investment from the Investment Portfolio before the end of the Scheme Year may not receive the whole amount of his/her contribution if the monthly interim yield declared is negative.

## **3. Reserve mechanism**

The Trustee, at its sole discretion, has the right to retain investment income of the Investment Portfolio in excess of that required to be set aside to meet the guaranteed benefits under the Investment Portfolio, and such excess will become the reserve ("**Reserve**"). In relation to the capital guarantee, the Reserve is set up for stabilisation

purpose and is used for the benefit of the Investment Portfolio's participants. For details, please see point 1(iii) above. On a monthly basis, the Trustee will determine whether an amount needs to be deducted from or added to the Reserve from the net investment income before allocation of the monthly interim yield proportionately to the account balance as of the end of each calendar month of each participating employer's or external retirement scheme investor's plan as per 1(iii) above. There may also be an amount deducted from the Reserve at the end of the Scheme Year as described in the third last paragraph under "1. Key terms and conditions of the guarantee" above. The Reserve is owned by the Investment Portfolio. It does not form part of the assets of the Management Company, the Trustee or the Guarantor and cannot be repatriated to any party.

#### **4. Historical rate of return**

Scheme participants can obtain information on the historical rate of return declared for the last five years in the ORSO section under "Products" section at [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC. Past performance should not be taken as an indication of future performance.

### **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Specific risks associated with investment in the AIA Guaranteed Fund

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## What are the fees and charges?

### Charges which may be payable by you

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the investment portfolio.

### Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate
<b><i>Investment Portfolio Level</i></b>	
<b>Trustee Fee / Investment Management Fee (as a % of the Investment Portfolio's net asset value)</b>	1%
<b>Guarantee Fee</b>	Nil
<b><i>Underlying Fund Level</i></b>	
<b>Trustee Fee / Management Fee (as a % of the net asset value of the relevant underlying investment)</b>	N/A*

\*Given the Investment Portfolio does not invest in any underlying fund, there are no fees or expenses charged at the underlying fund level.

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## Valuation, pricing and dealing arrangements

### 1. Valuation arrangement

Given the Investment Portfolio is a guaranteed fund, its valuation would be determined by the value of net assets and liabilities under the Investment Portfolio, taking into account the monthly interim yield in accordance with the prevailing generally accepted accounting practices. Please refer to "1. Key terms and conditions of the guarantee" for the determination of the monthly interim yield and a member's or an external retirement scheme investor's entitlement under the Investment Portfolio at the end of the relevant Scheme Year. Valuation of the Investment Portfolio will be made after the close of

business on the last day of each calendar month by the Trustee or its service provider(s).

## 2. Pricing arrangement

Trustee fee and investment management fee shall accrue monthly based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

## 3. Dealing arrangement

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## Additional information

Below is an illustration to demonstrate the guarantee mechanism of the Investment Portfolio:

Date	Opening balance (HK\$)	Monthly contribution (HK\$) (a)	Monthly interim yield		Member entitlement (HK\$)*	Net Investment Income (%)	Reserve (transfer in/out) (HK\$)
			Percentage (%)	Equivalent amount (HK\$) (b)^			
1/1/2021	1,000.00				1,000.00		0.00
1/31/2021		50.00	0%	0.00	1,050.00	0%	0.00
2/28/2021		50.00	0%	0.00	1,100.00	0%	0.00
3/31/2021		50.00	0%	0.00	1,150.00	0%	0.00
4/30/2021		50.00	0%	0.00	1,200.00	0%	0.00
5/31/2021		50.00	0%	0.00	1,250.00	0%	0.00
6/30/2021		50.00	2%	25.00	1,325.00	3%	12.50
7/31/2021		50.00	0%	0.00	1,375.00	0%	0.00
8/31/2021		50.00	0%	0.00	1,425.00	-1%	-13.75
9/30/2021		50.00	0%	0.00	1,475.00	0%	0.00
10/31/2021		50.00	0%	0.00	1,525.00	0%	0.00
11/30/2021		50.00	0%	0.00	1,575.00	0%	0.00
12/31/2021		50.00	-2%	-31.50	1,593.50	-2%	0.00
	Guaranteed total:	1,600.00	Member entitlement total (with top-up from Reserve on		1,600.00		-6.50



	12/31/2021)			
--	-------------	--	--	--

<sup>^</sup> Monthly interim yield in the equivalent amount in HK\$ (i.e. (b) in the above table) is the member entitlement at the end of last month times the monthly interim yield of current month (expressed as a percentage).

\* Member entitlement (HK\$) as of the end of a month is the balance brought forward from the last month plus the amounts in (a) and (b) in the table above (rounded to nearest two decimal places).

Assumptions:

At the Investment Portfolio level

For the periods of January to May, and July, September to November 2021, the gross investment income and the fee and charges are both 1%. Thus, the net investment income is 0% (i.e. 1% - 1%). As the monthly interim yield is 0% as declared by the Trustee, no amount is transferred into the Reserve.

For the month of June 2021, the gross investment income and the fee and charges are 4% and 1% respectively. Thus, the net investment income is 3% (4% - 1%). As the monthly interim yield is 2% as declared by the Trustee, 1% (i.e. 3% net investment income - 2% monthly interim yield) is to be transferred into the Reserve.

For the month of August 2021, the gross investment income and the fee and charges are 0% and 1% respectively. Thus, the net investment income is -1% (0% - 1%). As the monthly interim yield is 0% as declared by the Trustee, 1% (i.e. -1% net investment income - 0% monthly interim yield) is to be transferred out of the Reserve.

For the month of December 2021, the gross investment income and the fee and charges are -1% and 1% respectively. Thus, the net investment income is -2% (-1% - 1%). As the monthly interim yield of December 2021 is -2% as declared by the Trustee, no amount is to be transferred into the Reserve.

As of 31 December 2021, the balance with respect to the member at the end of the Scheme Year (i.e. HK\$1,593.50), after debiting/crediting the monthly interim yield, is less than the member's opening balance for the Scheme Year plus the contribution during the Scheme Year (HK\$1,600; total contribution of HK\$1,000 + HK\$50 x 12). For the purpose of this illustration, it is assumed that there were no redemptions during the Scheme Year. Therefore, HK\$6.50 (i.e. HK\$1,600 - HK\$1,593.50) is transferred out of the Reserve so as to provide the annual capital guarantee for the member at the end of the Scheme Year, and the member will receive HK\$1,600.

As a result, for the Scheme Year of 2021, there will be no discretionary benefit.

**Important**

If you are in doubt, you should seek professional advice.

# AIA Capital Guaranteed Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Guarantor:</b>	AIA Company Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Capital Guaranteed Fund (the "**Investment Portfolio**") aims to achieve a stable, consistent, predictable rate of return and the guarantee of capital by investing primarily in, but not limited to, fixed income instruments or any product which, in the opinion of the Guarantor, provides economically equivalent returns, and investments in equity will not exceed 15% of total assets.

### Investment policy

The Investment Portfolio will achieve the objective through investing in the Capital Guaranteed Insurance Policy ("**CG Policy**") issued by the Guarantor. The CG Policy will invest primarily in, but not limited to, Hong Kong fixed income securities or any product which, in the opinion of the Guarantor, provides economically equivalent returns. The Investment Portfolio may hold ancillary cash or cash based investments for operational purpose. The Guarantor guarantees that the annual declared interest rate will not be negative under the CG Policy. The Guarantor also guarantees the annual investment yield of the Investment Portfolio declared for each calendar year not to be negative. The Guarantor reserves the right under the CG Policy to discontinue the guarantee or revise the guarantee upon the giving of six months' notice.

### Investment and borrowing restrictions

As mentioned above, the Investment Portfolio invests in the CG Policy. The CG Policy does not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. Please refer to section 4.2 of the Principal Brochure for details.

## What is the capital guarantee mechanism and the discretionary benefits?

## **1. Key terms and conditions of the guarantee**

The Guarantor agrees and undertakes to satisfy the capital guarantee under the Investment Portfolio, subject to the conditions set out below under "2. Entitlement of scheme participants".

The Guarantor, at its sole discretion, has the right to retain investment income of the Investment Portfolio in excess of that required to be set aside to meet the guaranteed benefits under the Investment Portfolio. Such retained investment income will be transferred to the shareholders' funds of the Guarantor and will become the assets of the Guarantor.

### **Annual investment yield**

The Trustee will at the end of each calendar year determine and declare the annual investment yield of the Investment Portfolio which will be equal to or more than zero. The final entitlement of the member will be the annual investment yield which is derived from the monthly interim yields (as determined below) and the adjustment at the calendar year end (if the sum of monthly interim yield debited/credited for the calendar year is different from the annual investment yield).

The annual investment yield will be determined and declared by the Trustee:

- firstly, considering the final annual declared interest rate payable under the CG Policy declared by the Guarantor of the CG Policy; and
- secondly, deducting any trustee fee, all other fees and charges at the Investment Portfolio level (i.e. costs, charges, taxes and expenses related to registration, auditing, custodial services and investments which will be charged against the Investment Portfolio); and
- thirdly, where applicable, an adjustment from or to the Reserve (as described in point 1(ii) below and under "3. Reserve mechanism").

Any amount in excess of the capital guaranteed amount is considered discretionary benefit. The discretionary benefit declared by the Trustee, if any, could be nominal.

### **Monthly interim yield**

A monthly interim yield which may be negative will be declared by the Trustee at its discretion, taking into account the net investment income, in consultation with the Guarantor each month for the next month and credited to or debited from, as the case may be, the members or external retirement scheme investors (as the case may be) on a daily basis. The monthly interim yield is determined in the following manner:

- (i) The net investment income of the Investment Portfolio is declared by the Trustee taking into account the indicative annual interest rate provided by the Guarantor of the CG Policy at the beginning of the calendar year; less the fees and charges of the Investment Portfolio (i.e. costs, charges, taxes and expenses related to

registration, auditing, custodial services and investments which shall be charged against the Investment Portfolio).

- (ii) Scenarios (a) to (c) set out the relationship among the net investment income, the monthly interim yield and the Reserve (as defined in "3. Reserve mechanism"):
- (a) In cases where the net investment income is greater than the monthly interim yield, an amount equal to the difference between the net investment income and the monthly interim yield will be transferred into the Reserve.
  - (b) In cases where the net investment income is less than the monthly interim yield, an amount equal to the shortfall will be transferred out of the Reserve to provide the monthly interim yield
  - (c) In cases where the net investment income is equal to the monthly interim yield, no amount will be transferred into or out of the Reserve.

Scenarios (a) to (c) apply regardless of whether the net investment income or the monthly interim yield is positive or negative.

Due to the guarantee structure of the Investment Portfolio, there may be dilution of performance.

## **2. Entitlement of scheme participants**

A member's or external retirement scheme investor's entitlement to any capital guarantee under the Investment Portfolio for each calendar year will be subject to the member's or external retirement scheme investor's continued investment in the Investment Portfolio until the end of each calendar year.

If a member or an external retirement scheme investor (as the case may be) switches out his/her investment from the Investment Portfolio before the end of the relevant calendar year for any reason, the guarantee of capital will not apply and the member or the external retirement scheme investor would be entitled to his/her contribution and the monthly interim yield that has been declared and credited to or debited from his/her account until the date of switching. As such, the guarantee of having an annual yield for the relevant calendar year not to be negative would not be applicable to such member or external retirement scheme investor. In addition, a member or an external retirement scheme investor who switches out his/her investment from the Investment Portfolio before the end of the relevant calendar year may not receive the whole amount of his/her contribution if the monthly interim yield declared is negative.

## **3. Reserve mechanism**

In relation to the capital guarantee, an investment reserve (the "**Reserve**") has been set up for stabilisation purpose.

On a monthly basis, the Trustee will determine whether an amount needs to be deducted from or added to the Reserve from the net investment income before allocation of the monthly interim yield proportionately to the account balance of each

participating employer's or external retirement scheme investor's plan on a daily basis. For details, please see point 1(ii) above.

At the end of the calendar year, an adjustment (if any) may be made from or to the Reserve for providing the annual investment yield.

If the Reserve is insufficient to provide the monthly interim yield or the annual investment yield, the Guarantor will make up the shortfall to ensure that the capital guarantee is fulfilled.

The Reserve is owned by the Guarantor.

#### **4. Historical rate of return**

Scheme participants can obtain information on the historical rate of return declared for the last five years in the ORSO section under "Products" section at [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC. Past performance should not be taken as an indication of future performance.

### **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Concentrated geographical location risk
- Specific risks associated with investment in the AIA Capital Guaranteed Fund

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

### **What are the fees and charges?**

#### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

#### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate
<b><i>Investment Portfolio Level</i></b>	

<b>Trustee Fee / Investment Management Fee (as a % of the Investment Portfolio's net asset value)</b>	Not exceeding 1%, currently waived
<b>Guarantee Fee</b>	Nil
<b><i>Underlying Fund Level</i></b>	
<b>Trustee Fee / Management Fee (as a % of the net asset value of the relevant underlying investment)</b>	1%

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

- **Valuation arrangement**

Given the Investment Portfolio is a guaranteed fund, its valuation would be determined by the value of net assets and liabilities under the Investment Portfolio, taking into account the monthly interim yield and annual investment yield in accordance with the prevailing generally accepted accounting practices. Please refer to "1. Key terms and conditions of the guarantee" for the determination of the monthly interim yield, annual investment yield and a member's or an external retirement scheme investor's entitlement under the Investment Portfolio at the end of the relevant calendar year. Valuation of the Investment Portfolio will be made after the close of business on the last day of each calendar month by the Trustee or its service provider(s).

- **Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue monthly based on the calculation basis described above and be payable monthly in arrears. Trustee fee at the Investment Portfolio level is currently waived.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

- **Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## Additional information

Upon any partial or total withdrawal request made by a participating employer or external retirement scheme investor which is due to a retirement plan termination made under the Scheme, the Trustee shall pay (at the participating employer's or external retirement scheme investor's option):

- the withdrawal amount payable to the participating employer or external retirement scheme investor (the "**Withdrawal Amount**") by 20 quarterly installments each being an amount equal to one-twentieth of the Withdrawal Amount with the amount of investment earnings credited thereon after the effective date of the plan termination being paid at the last installment; or
- the Withdrawal Amount less an amount, which is to be determined by the Trustee at its sole discretion to reflect the difference between the participating employer's or external retirement scheme investor's accumulation in the participating employer's or external retirement scheme investor's account (as the case may be) and the market value of the underlying assets;

provided always that if the Withdrawal Amount exceeds HK\$25 million, the Trustee has the right to pay the Withdrawal Amount by installments over a period not exceeding five years with any investment earnings credited thereon after the effective date being paid at the last installment.

Below is an illustration to demonstrate the guarantee mechanism of the Investment Portfolio:

Date	Opening balance (HK\$)	Monthly contribution (HK\$) (a)	Monthly interim yield		Member entitlement (HK\$)*
			Percentage (%)	Equivalent amount (HK\$) (b)^	
1/1/2021	1,000.00				1,000.00
1/31/2021		50.00	0.10%	1.00	1,051.00
2/28/2021		50.00	0.10%	1.05	1,102.05
3/31/2021		50.00	0.10%	1.10	1,153.15
4/30/2021		50.00	0.10%	1.15	1,204.30
5/31/2021		50.00	0.10%	1.20	1,255.50
6/30/2021		50.00	0.10%	1.26	1,306.76
7/31/2021		50.00	0.10%	1.31	1,358.07
8/31/2021		50.00	0.10%	1.36	1,409.43
9/30/2021		50.00	0.10%	1.41	1,460.84
10/31/2021		50.00	0.10%	1.46	1,512.30
11/30/2021		50.00	0.10%	1.51	1,563.81

12/31/2021		50.00	0.10%	1.56	1,615.37
	Guaranteed total:	1,600.00		Member entitlement total as of 31 December 2021, calculated based on the declared annual investment yield of 1.50% (as illustrated below)	1,619.24

<sup>^</sup> Monthly interim yield in the equivalent amount in HK\$ (i.e. (b) in the above table) is the member entitlement at the end of last month times the monthly interim yield of current month (expressed as a percentage).

\* Member entitlement (HK\$) as of the end of the month is the balance brought forward from the last month plus the amounts in (a) and (b) in the table above (rounded to nearest two decimal places).

Assumptions:

At the Investment Portfolio level

At the beginning of the calendar year, the monthly interim yield declared is 0.10% (i.e. 1.20% / 12 months), taking into account the indicative annual interest rate under CG Policy, net of the fee and charges of the Investment Portfolio and the adjustment from the Reserve.

At the end of the calendar year, the annual investment yield declared by the Trustee is 1.50% after taking into account:

- the final annual declared interest rate from the CG Policy of 2.20%;
- less fees and charges of 1%; and
- the adjustment from the Reserve of 0.3%.

The member's entitlement at the end of the calendar year will be HK\$1,619.24, calculated based on declared annual investment yield of 1.50%, which is the sum of HK\$1,615.37 (i.e. member's entitlement under the monthly interim yields credited for the last 12 months) and the adjustment to member's entitlement of HK\$3.87 (i.e. HK\$1,619.24 - HK\$1,615.37).

**Important**

If you are in doubt, you should seek professional advice.



# AIA Global Bond Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	USD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Global Bond Fund (the "**Investment Portfolio**") seeks to achieve long-term stable return from a combination of income and capital appreciation through investing primarily in fixed income securities in the international markets.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") that will have majority of assets investing in fixed income securities in the international markets (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value). The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Fund</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
PineBridge Global Bond Fund, a sub-fund of PineBridge Fund Series	Less than 90%
JPMorgan SAR Global Bond Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time. The Investment Portfolio may indirectly invest up to 30% of its NAV in debt instruments with loss-absorption features ("**LAP**") (e.g. contingent convertible bonds, senior non-preferred debt securities, etc.). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

### **Information on certain Underlying Funds**

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

### **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Derivative risk
- Eurozone risk
- Risk associated with investment in instruments with loss-absorption features
- Risks associated with specific nature of fund of funds
- Risks relating to investments in an index tracking fund (whether listed or unlisted)
- Specific risks associated with investment in the AIA Global Bond Fund

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

### **What are the fees and charges?**

#### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

#### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments. The aggregate fee payable by the Investment Portfolio is capped at 0.99% p.a. of the net asset value of the Investment Portfolio.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 0.69%

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued in accordance with the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that

the website has not been reviewed by the SFC.

**Important**

If you are in doubt, you should seek professional advice.

# AIA Capital Stable Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	USD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Capital Stable Fund (the "**Investment Portfolio**") seeks to achieve long-term stable capital appreciation with lower volatility and adopts a conservative approach in relation to the allocation between (i) equities and (ii) fixed income securities, money market instruments and/or cash.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") which asset allocation policy is to invest in a conservative internationally diversified portfolio of securities mainly in fixed income securities, money market instruments and/or cash. The Investment Portfolio may through the Underlying Funds hold up to 50% of the assets in equities. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes. The Investment Portfolio does not guarantee the repayment of capital. The Investment Portfolio may indirectly invest up to 30% of its NAV in debt instruments with loss-absorption features ("**LAP**") (e.g. contingent convertible bonds, senior non-preferred debt securities, etc.). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The following is an indicative asset allocation of the Investment Portfolio:

<b>Asset Class</b>	<b>Indicative percentage of the Investment Portfolio's net asset value</b>
Equities	10% to 50%
Fixed Income Securities, Money Market Instruments and/or Cash	50% to 90%

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net

asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
Allianz Choice Capital Stable Fund, a sub-fund of Allianz Global Investors Choice Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" section at [aia.com.hk](http://aia.com.hk).

### **Information on certain Underlying Funds**

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Derivative risk
- Eurozone risk
- Risk associated with investment in instruments with loss-absorption features
- Risks associated with specific nature of fund of funds
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## **What are the fees and charges?**

### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.25% (inclusive of trustee fee of underlying funds not exceeding 0.3%)

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued according to the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

### **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

### **Important**

If you are in doubt, you should seek professional advice.



# AIA Balanced Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	USD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Balanced Fund (the "**Investment Portfolio**") seeks to achieve long-term capital appreciation with moderate volatility and adopts a balanced approach in relation to the allocation between (i) equities and (ii) fixed income securities, money market instruments and/or cash.

### Investment policy

The Investment Portfolio will achieve the objective through investing in a balanced internationally diversified portfolio of (i) equities and (ii) fixed income securities, money market instruments and/or cash. The Management Company will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**"). The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes. The Investment Portfolio may indirectly invest up to 30% of its NAV in debt instruments with loss-absorption features ("**LAP**") (e.g. contingent convertible bonds, senior non-preferred debt securities, etc.). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The following is an indicative asset allocation of the Investment Portfolio:

<b>Asset Class</b>	<b>Indicative percentage of the Investment Portfolio's net asset value</b>
Equities	30% to 70%
Fixed Income Securities, Money Market Instruments and/or Cash	30% to 70%

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's</b>
-------------------------	---

	<b>net asset value)</b>
Allianz Choice Stable Growth Fund, a sub-fund of Allianz Global Investors Choice Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

**Information on certain Underlying Funds**

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

**Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

**What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Derivative risk
- Eurozone risk
- Risk associated with investment in instruments with loss-absorption features
- Risks associated with specific nature of fund of funds
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## What are the fees and charges?

### Charges which may be payable by you

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.25% (inclusive of trustee fee of underlying funds not exceeding 0.3%)

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## Valuation, pricing and dealing arrangements

### 1. Valuation arrangement

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued according to the prevailing generally accepted accounting principles.

### 2. Pricing arrangement

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where

applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

### **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

### **Important**

If you are in doubt, you should seek professional advice.

# AIA Growth Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	USD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Growth Fund (the "**Investment Portfolio**") seeks to achieve long-term capital growth and appreciation and adopts an aggressive approach in relation to the allocation between (i) equities, and (ii) fixed income securities, money market instruments and/or cash.

### Investment policy

The Investment Portfolio will achieve the objective through investing in an aggressive internationally diversified portfolio of securities mainly in equities. The Investment Portfolio may hold up to 30% of the assets in fixed income securities, money market instruments and/or cash. The Management Company will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**"). The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes. The Investment Portfolio may indirectly invest up to 30% of its NAV in debt instruments with loss-absorption features ("**LAP**") (e.g. contingent convertible bonds, senior non-preferred debt securities, etc.). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The following is an indicative asset allocation of the Investment Portfolio:

<b>Asset Class</b>	<b>Indicative percentage of the Investment Portfolio's net asset value</b>
Equities	70% to 100%
Fixed Income Securities, Money Market Instruments and/or Cash	0% to 30%

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

Underlying Funds	Range (% of the Investment Portfolio's net asset value)
Allianz Choice Growth Fund, a sub-fund of Allianz Global Investors Choice Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

### Information on certain Underlying Funds

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

### Investment and borrowing restrictions

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## What are the key risks?

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Derivative risk
- Eurozone risk
- Risk associated with investment in instruments with loss-absorption features
- Risks associated with specific nature of fund of funds
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## What are the fees and charges?

### Charges which may be payable by you

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.25% (inclusive of trustee fee of underlying funds not exceeding 0.3%)

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## Valuation, pricing and dealing arrangements

### 1. Valuation arrangement

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued according to the prevailing generally accepted accounting principles.

### 2. Pricing arrangement

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where

applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

### **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

### **Important**

If you are in doubt, you should seek professional advice.



## AIA Manager's Choice Fund

### Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

### Objectives and investment policy

#### Objectives

The AIA Manager's Choice Fund (the "**Investment Portfolio**") seeks to achieve long-term capital appreciation. The Investment Portfolio attempts to perform dynamic asset allocation in order to maximise long-term capital appreciation. The Investment Portfolio would be suitable to investors who are willing to accept an above average level of risk in order to achieve long term capital appreciation.

#### Investment policy

The Investment Portfolio will achieve the objective through investing in two or more collective investment schemes (which may include index tracking funds) (collectively, the "**Underlying Funds**"). Depending on the market condition, the Investment Portfolio may allocate from 10% to 90% of its exposure to equities, with the balance invested in fixed income securities, money market instruments and/or cash. The Investment Portfolio may indirectly invest in the above mentioned asset classes and in various markets globally. The allocations will change based on the Management Company's view on the economic and market outlook, with higher allocation to Underlying Fund(s) investing in equity when equity market outlook is positive, balanced allocation when equity market outlook is neutral and higher allocation to Underlying Fund(s) investing in fixed income securities, money market instruments and/or cash when equity market outlook is negative. The Investment Portfolio may indirectly invest up to 30% of its NAV in debt instruments with loss-absorption features ("**LAP**") (e.g. contingent convertible bonds, senior non-preferred debt securities, etc.). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

#### Investment and borrowing restrictions

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## What are the key risks?

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Credit rating downgrading risk
- Liquidity risk
- Derivative risk
- Eurozone risk
- Risk associated with investment in instruments with loss-absorption features
- Risks associated with specific nature of fund of funds
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## What are the fees and charges?

### Charges which may be payable by you

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%

<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.25% (inclusive of trustee fee of underlying funds not exceeding 0.3%)
--	---

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation of the Investment Portfolio will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or transaction occurs in accordance with the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

**Important**

If you are in doubt, you should seek professional advice.

# AIA American Equity Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	USD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA American Equity Fund (the "**Investment Portfolio**") seeks to achieve long-term capital growth through investing in equities issued by companies listed, based or operating principally in the US.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") that will have majority of assets investing in equities of companies listed, based or operating principally in the US (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value), with the remainder in cash and fixed income securities. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
JPMorgan Funds - America Equity Fund	Less than 90%
JPMorgan SAR American Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

### Information on certain Underlying Funds

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

## Investment and borrowing restrictions

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## What are the key risks?

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Risks associated with specific nature of fund of funds
- Concentrated geographical locations risk
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## What are the fees and charges?

### Charges which may be payable by you

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.2%

Note: Fees chargeable not in the form of a percentage of the net asset value of the

Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued according to the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

# AIA European Equity Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA European Equity Fund (the "**Investment Portfolio**") seeks to achieve capital growth through investing primarily in equities issued by companies listed, based or operating principally in Europe.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") which asset allocation policy is normally to have a greater proportion of assets invested in equities in Europe (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value), with the remainder in cash and fixed income securities. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
European Equity Fund, a sub-fund of Fidelity Global Investment Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

### Information on certain Underlying Funds

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.



## Investment and borrowing restrictions

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## What are the key risks?

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Eurozone risk
- Risks associated with specific nature of fund of funds
- Concentrated geographical locations risk
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## What are the fees and charges?

### Charges which may be payable by you

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.2%

Note: Fees chargeable not in the form of a percentage of the net asset value of the

Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued according to the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

# AIA Hong Kong Equity Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Hong Kong Equity Fund (the "**Investment Portfolio**") seeks to achieve long-term capital appreciation by primarily investing in equities issued by companies listed, based or operating principally in Hong Kong.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") which asset allocation policy is normally to have majority of assets investing in equities of companies listed, based or operating principally in Hong Kong (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value). The Investment Portfolio may through investments in the Underlying Funds invest less than 30% of its NAV in China A-Shares and China B-Shares. Investment in China A-Shares may be made via the Stock Connect. Indirect exposure to China A-Shares may also be sought through investment in financial instruments such as China market access products. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
JPMorgan SAR Hong Kong Fund	Less than 90%
Hong Kong Equity, a sub-fund of Schroder International Selection Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" section at [aia.com.hk](http://aia.com.hk).

### **Information on certain Underlying Funds**

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Risks associated with specific nature of fund of funds
- Concentrated geographical locations risk
- Risks relating to investments in an index tracking fund (whether listed or unlisted)
- China market risk
- Risks related to investments via the Stock Connect
- Specific risks associated with investment in the AIA Hong Kong Equity Fund

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## **What are the fees and charges?**

### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 0.95%

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation of the Investment Portfolio will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or transaction occurs in accordance with the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

# AIA Greater China Equity Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Greater China Equity Fund (the "**Investment Portfolio**") seeks to achieve long-term capital appreciation by investing primarily in equities issued by companies listed, based or operating principally in Greater China region, including the PRC, Hong Kong, Macau and Taiwan.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") that will have majority of assets investing in equities of companies listed, based or operating principally in the Greater China Region i.e. the PRC, Hong Kong, Macau and Taiwan (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value). The Investment Portfolio may through investments in the Underlying Funds invest less than 30% of its NAV in China A-Shares and China B-Shares. Investment in China A-Shares may be made via the Stock Connect. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
PineBridge Greater China Equity Fund, a sub-fund of PineBridge Fund Series	Less than 90%
JPMorgan SAR Greater China Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment

Portfolio in the ORSO section under "Products" section at aia.com.hk.

### **Information on certain Underlying Funds**

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

## **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Risks associated with specific nature of fund of funds
- Concentrated geographical locations risk
- Risks relating to investments in an index tracking fund (whether listed or unlisted)
- China market risk
- Risks related to investments via the Stock Connect

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

## **What are the fees and charges?**

### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.



Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.25% (inclusive of trustee fee of underlying funds not exceeding 0.3%)

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation of the Investment Portfolio will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or transaction occurs in accordance with the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

**Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

**Important**

If you are in doubt, you should seek professional advice.

# AIA Asia ex Japan Equity Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	USD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Asia ex Japan Equity Fund (the "**Investment Portfolio**") seeks to achieve long-term capital appreciation by primarily investing in equities and equity-related securities issued by companies listed, based or operating principally in the Asian region, excluding Japan.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in two or more collective investment schemes (which may include index tracking funds) (the "**Underlying Funds**") that will have majority of assets investing in the equity and equity-related securities of companies listed, based or operating principally in the Asian region, excluding Japan (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value). The Underlying Funds may also, to a lesser extent, invest in equity and equity-related securities of companies listed, based or operating principally in Australia and New Zealand. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
PineBridge Asia ex Japan Equity Fund, a sub-fund of PineBridge Global Funds	Less than 90%
JPMorgan SAR Asian Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

### **Information on certain Underlying Funds**

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Funds listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly invest in any financial derivative instruments or use any leveraging investment other than for hedging purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

### **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Risks associated with specific nature of fund of funds
- Concentrated geographical locations risk
- Risks relating to investments in an index tracking fund (whether listed or unlisted)
- China market risk

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

### **What are the fees and charges?**

#### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

#### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment
-----	---------------------------------------

	Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 1.2%

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued according to the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that

the website has not been reviewed by the SFC.

**Important**

If you are in doubt, you should seek professional advice.

# AIA Hong Kong and China Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA Hong Kong and China Fund (the "**Investment Portfolio**") seeks to achieve long-term capital appreciation by investing primarily in a combination of Hong Kong equity market index tracking funds, whether listed or unlisted.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in a combination of two or more equity market index tracking funds, whether listed or unlisted (the "**Underlying Funds**"), that track Hong Kong equity market indices that measure the performance of companies (including PRC incorporated enterprises) listed in Hong Kong (which in aggregate shall account for no less than 70% of the Investment Portfolio's net asset value). The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes. The Investment Portfolio is not an index-tracking fund.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Funds</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
The Tracker Fund of Hong Kong	Less than 90%
iShares Core Hang Seng Index ETF	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" at [aia.com.hk](http://aia.com.hk).

### Information on certain Underlying Funds

Please refer to Appendix B of the Principal Brochure for the relevant information on the

Underlying Funds listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly engage in security lending or use derivatives for investment purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

### **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Emerging market risk
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Risks associated with specific nature of fund of funds
- Concentrated geographical locations risk
- Risks relating to investments in an index tracking fund (whether listed or unlisted)
- China market risk

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

### **What are the fees and charges?**

#### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

#### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and</b>	Up to 0.69%



<b>Management Fee)</b>	
------------------------	--

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued in accordance with the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

# AIA World Fund

## Quick facts

<b>Product Provider:</b>	AIA Company (Trustee) Limited
<b>Trustee:</b>	AIA Company (Trustee) Limited
<b>Management Company:</b>	AIA Investment Management HK Limited
<b>Base currency:</b>	HKD
<b>Dealing frequency:</b>	Daily

## Objectives and investment policy

### Objectives

The AIA World Fund (the "**Investment Portfolio**") seeks a long-term capital appreciation by investing primarily in a combination of index tracking funds, whether listed or unlisted, that track equity market indices around the world.

### Investment policy

The Investment Portfolio will achieve the objective through investing primarily in a combination of two or more index tracking funds, whether listed or unlisted, which track equity market indices around the world, and may also, to a lesser extent, invest in non-index tracking funds (collectively, the "**Underlying Funds**"). Not less than 70% of the net asset value of the Investment Portfolio will be invested in equity market indices that track North American, European and Asia Pacific markets. The Investment Portfolio may hold ancillary cash or cash based investments for operational and/or hedging purposes. The Investment Portfolio is not an index-tracking fund.

The Underlying Funds that the Investment Portfolio may invest more than 30% of its net asset value in include:

<b>Underlying Fund</b>	<b>Range (% of the Investment Portfolio's net asset value)</b>
iShares World Equity Index Fund	Less than 90%

The Investment Portfolio may also invest in other Underlying Funds as determined by the Management Company from time to time.

Scheme participants can obtain information on the latest composition of the Investment Portfolio in the ORSO section under "Products" section at [aia.com.hk](http://aia.com.hk).

### Information on certain Underlying Fund

Please refer to Appendix B of the Principal Brochure for the relevant information on the Underlying Fund listed in the above table.

### **Investment and borrowing restrictions**

The Investment Portfolio will not directly engage in security lending or use derivatives for investment purposes. However, an Underlying Fund may invest in financial derivative instruments but its net derivative exposure will not exceed 50% of its NAV. Please refer to section 4.2 of the Principal Brochure for details.

### **What are the key risks?**

Investment involves risks. Please refer to section 5 of the Principal Brochure for details including the risk factors.

- General risks
- Equity investment risk
- Interest rate risk
- Counterparty risk
- Credit risk
- Liquidity risk
- Derivative risk
- Risks associated with specific nature of fund of funds
- Risks relating to investments in an index tracking fund (whether listed or unlisted)

In the worst case scenario, a member who invests into this Investment Portfolio may suffer a significant loss to his/her investments.

### **What are the fees and charges?**

#### **Charges which may be payable by you**

Please refer to section 6.1 of the Principal Brochure for details of the fees and charges which you may have to pay when dealing in the Investment Portfolio.

#### **Ongoing fees payable by the Investment Portfolio**

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's net asset value)
<b>Trustee Fee</b>	Up to 0.3%
<b>Investment Management Fee (inclusive of Underlying Fund Level Trustee and Management Fee)</b>	Up to 0.69%

Note: Fees chargeable not in the form of a percentage of the net asset value of the Investment Portfolio are not included in the investment management fee in the above table.

For other expenses which may be paid out of the Investment Portfolio, please refer to Appendix C of the Principal Brochure for details.

## **Valuation, pricing and dealing arrangements**

### **1. Valuation arrangement**

The unit price and performance of the Investment Portfolio is determined on each Business Day on the basis of the unit price and performance of the corresponding Underlying Funds. Valuation of the Investment Portfolio will be made on each Business Day, subject to any suspension of dealing as explained under "7.4 Deferral or Suspension of Dealing", to determine the Investment Portfolio's net asset value together with the Investment Portfolio's unit price. Valuation will be made on the first Business Day following the completion of the Business Day on which the relevant subscription, redemption, dealing or such transaction occurs. Investment shall be valued in accordance with the prevailing generally accepted accounting principles.

### **2. Pricing arrangement**

Trustee fee and investment management fee at the Investment Portfolio level shall accrue daily based on the calculation basis described above and be payable monthly in arrears.

Any increase to the Investment Portfolio's aggregate of the following: (i) trustee fee and investment management fee (inclusive of, where applicable, trustee fee and management fee of underlying fund(s)) at the Investment Portfolio level; and (ii) where applicable, trustee fee and management fee at the underlying fund level, is subject to a minimum of three months' notice.

### **3. Dealing arrangement**

Please refer to section 4.3 of the Principal Brochure for details on the dealing arrangement and section 7.4 of the Principal Brochure for details on the circumstances in which the dealing of an Investment Portfolio may be deferred or suspended.

## **Additional information**

The unit price of the Investment Portfolio is published daily on [aia.com.hk](http://aia.com.hk). Please note that the website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

## Appendix B - Details of the Underlying Funds invested into by certain Investment Portfolios

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
Allianz Choice Capital Stable Fund, a sub-fund of Allianz Global Investors Choice Fund	AIA Capital Stable Fund	<p>Manager: Allianz Global Investors Asia Pacific Limited</p> <p>Objectives: To provide investors with capital preservation combined with steady capital appreciation over the long-term by investing in a diversified portfolio of global equities and fixed-interest securities.</p> <p>Strategy: The Allianz Choice Capital Stable Fund is a fund of funds investing substantially all its assets in (i) other sub-funds of Allianz Global Investors Choice Fund (“<b>Underlying APIFs</b>”) and/or (ii) index-tracking collective investment schemes approved by the MPFA (“<b>Underlying ITCISs</b>”) as determined by the manager from time to time to be appropriate to provide the desired investment exposure for the Allianz Choice Capital Stable Fund based on its investment objective and policy. All Underlying APIFs are approved as Approved Pooled Investment Fund by the MPFA and authorised by the SFC and all Underlying ITCISs are approved by the MPFA.</p> <p>The Allianz Choice Capital Stable Fund may invest at least 20% and up to 40% of its assets in global equities and at least 60% and up to 80% of its assets in fixed-interest securities via the Underlying APIFs and/or Underlying ITCISs. Generally, the Allianz Choice Capital Stable Fund is expected to invest 30% of its assets in equities and 70% in fixed-interest securities via the Underlying APIFs and/or Underlying ITCISs. The equity portion of the Allianz Choice Capital Stable Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion being invested, at the</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>discretion of the manager, in other Asian countries and emerging markets. The fixed income portion will consist of a range of instruments issued in countries around the world.</p> <p>It is expected that the Allianz Choice Capital Stable Fund will invest 70% to 100% of its net asset value in the Underlying APIFs and not more than 30% of its net asset value in the Underlying ITCISs.</p> <p>The Underlying APIFs and the Underlying ITCISs will be actively selected and the extent of the investment of the Allianz Choice Capital Stable Fund in such underlying funds will be allocated by the manager by reference to their underlying investments. In particular, the Allianz Choice Capital Stable Fund may invest up to 80% of its total net asset value in the Allianz Choice Global Fixed Income Fund which aims to achieve long-term capital growth and income primarily through investment in a diversified portfolio of global fixed-income securities denominated in multiple currencies. For details on the Allianz Choice Global Fixed Income Fund, please refer to its investment objectives and policies set out in the prospectus of the Allianz Global Investors Choice Fund.</p> <p>Through the Underlying APIFs and the Underlying ITCISs, the Allianz Choice Capital Stable Fund will invest in (i) equities which are broadly diversified (in terms of industry sectors and/or companies of a particular capital size) with a majority of which are listed and traded on stock exchange approved by the MPFA; and primarily invest in (ii) fixed-interest securities which carry a rating of BBB- or above (as rated by Standard &amp; Poor's) or Baa3 or above (as rated by Moody's Investors</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>Services Inc.) or which in the opinion of the manager would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the MPFA and broadly diversified, for example in terms of the number of issuers. Where the Underlying ITCISs in which the Allianz Choice Capital Stable Fund invests tracks a bond index, such bond index will not have a significant portion of the constituent securities that do not satisfy the minimum credit rating requirements set out by the MPFA.</p> <p>The Allianz Choice Capital Stable Fund will invest in 5 or more Underlying APIFs and/or Underlying ITCISs.</p> <p>The Allianz Choice Capital Stable Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of the General Regulation.</p> <p>The Allianz Choice Capital Stable Fund may also hold cash for ancillary purposes.</p> <p>The Allianz Choice Capital Stable Fund currently does not intend to engage in security lending transactions and/or repurchase agreements. The Allianz Choice Capital Stable Fund and the Underlying APIFs will not enter into any financial futures contracts or financial option contracts other than for hedging purpose, although the Underlying ITCISs may enter into financial derivatives for hedging or non-hedging purpose. The Allianz Choice Capital Stable Fund is not expected to incur any leverage arising from the use of derivatives.</p>
Allianz Choice Growth Fund,	AIA Growth Fund	Manager: Allianz Global Investors Asia Pacific Limited

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
a sub-fund of Allianz Global Investors Choice Fund		<p>Objectives: To maximise long-term overall returns by investing primarily in global equities.</p> <p>Strategy: The Allianz Choice Growth Fund is a fund of funds investing substantially all its assets in (i) other sub-funds of Allianz Global Investors Choice Fund (“<b>Underlying APIFs</b>”) and/or (ii) index-tracking collective investment schemes approved by the MPFA (“<b>Underlying ITCISs</b>”) as determined by the manager from time to time to be appropriate to provide the desired investment exposure for the Allianz Choice Growth Fund based on its investment objective and policy. All Underlying APIFs are approved as Approved Pooled Investment Fund by the MPFA and authorised by the SFC and all Underlying ITCISs are approved by the MPFA.</p> <p>The Allianz Choice Growth Fund may invest at least 80% and up to 100% of its assets in global equities and up to 20% of its assets in fixed-interest securities via the Underlying APIFs and/or Underlying ITCISs. Generally, the Allianz Choice Growth Fund is expected to invest 90% of its assets in global equities and 10% in fixed-interest securities via the Underlying APIFs and/or Underlying ITCISs. The Allianz Choice Growth Fund, via the Underlying APIFs and/or Underlying ITCISs, aims to invest in the countries comprised in the MSCI World Index which covers all the major world stock markets including those in Japan, North America, Asia and Europe.</p> <p>It is expected that the Allianz Choice Growth Fund will invest 70% to 100% of its net asset value in the Underlying APIFs and not more than</p>



Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>30% of its net asset value in the Underlying ITCISs.</p> <p>The Underlying APIFs and the Underlying ITCISs will be actively selected and the extent of the investment of the Allianz Choice Growth Fund in such underlying funds will be allocated by the manager by reference to their underlying investments. In particular, the Allianz Choice Growth Fund may invest up to 40% of its total net asset value in the Allianz Choice Hong Kong Fund which aims to achieve long-term capital growth by investing primarily in Hong Kong equities, including Chinese securities listed in Hong Kong. For details on the Allianz Choice Hong Kong Fund, please refer to its investment objectives and policies set out in the prospectus of the Allianz Global Investors Choice Fund.</p> <p>Through the Underlying APIFs and the Underlying ITCISs, the Allianz Choice Growth Fund will invest in equities which are broadly diversified (in terms of industry sectors and/or companies of a particular capital size) with a majority of which are listed and traded on stock exchange approved by the MPFA and invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard &amp; Poor's) or Baa3 or above (as rated by Moody's Investors Services Inc.) or which in the opinion of the manager would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the MPFA and broadly diversified, for example in terms of the number of issuers. Where the Underlying ITCISs in which the Allianz Choice Growth Fund invests tracks a bond index, such bond index will not have a significant portion of the constituent securities that do not satisfy the minimum credit rating requirements set out by MPFA.</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>The Allianz Choice Growth Fund will invest in 5 or more Underlying APIFs and/or Underlying ITCISs.</p> <p>The Allianz Choice Growth Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of the General Regulation.</p> <p>The Allianz Choice Growth Fund may also hold cash for ancillary purposes.</p> <p>The Allianz Choice Growth Fund currently does not intend to engage in security lending transactions and/or repurchase agreements. The Allianz Choice Growth Fund and the Underlying APIFs will not enter into any financial futures contracts or financial option contracts other than for hedging purpose, although the Underlying ITCISs may enter into financial derivatives for hedging or non-hedging purpose. The Allianz Choice Growth Fund is not expected to incur any leverage arising from the use of derivatives.</p>
Allianz Choice Stable Growth Fund, a sub-fund of Allianz Global Investors Choice Fund	AIA Balanced Fund	<p>Manager: Allianz Global Investors Asia Pacific Limited</p> <p>Objectives: To achieve a stable overall return over the long-term by investing in a diversified portfolio of global equities and fixed-interest securities.</p> <p>Strategy: The Allianz Choice Stable Growth Fund is a fund of funds investing substantially all its assets in (i) other sub-funds of Allianz Global Investors Choice Fund (“<b>Underlying APIFs</b>”) and/or (ii) index-</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>tracking collective investment schemes approved by the MPFA (“<b>Underlying ITCISs</b>”) as determined by the manager from time to time to be appropriate to provide the desired investment exposure for the Allianz Choice Stable Growth Fund based on its investment objective and policy. All Underlying APIFs are approved as Approved Pooled Investment Fund by the MPFA and authorised by the SFC and all Underlying ITCISs are approved by the MPFA.</p> <p>The Allianz Choice Stable Growth Fund may invest at least 40% and up to 60% of its assets in global equities and at least 40% and up to 60% of its assets in fixed-interest securities via the Underlying APIFs and/or Underlying ITCISs. Generally, the Allianz Choice Stable Growth Fund is expected to invest 50% of its assets in equities and 50% in fixed-interest securities via the Underlying APIFs and/or Underlying ITCISs. The equity portion of the Allianz Choice Stable Growth Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion being invested, at the discretion of the manager, in other Asian countries and emerging markets. The fixed income portion will consist of a range of instruments issued in countries around the world.</p> <p>It is expected that the Allianz Choice Stable Growth Fund will invest 70% to 100% of its net asset value in the Underlying APIFs and not more than 30% of its net asset value in the Underlying ITCISs.</p> <p>The Underlying APIFs and the Underlying ITCISs will be actively selected and the extent of the investment of the Allianz Choice Stable Growth Fund in such underlying funds will be allocated by the manager</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>by reference to their underlying investments. In particular, the Allianz Choice Stable Growth Fund may invest up to 60% of its total net asset value in the Allianz Choice Global Fixed Income Fund which aims to achieve long-term capital growth and income primarily through investment in a diversified portfolio of global fixed-income securities denominated in multiple currencies. For details on the Allianz Choice Global Fixed Income Fund, please refer to its investment objectives and policies set out in the prospectus of the Allianz Global Investors Choice Fund.</p> <p>Through the Underlying APIFs and the Underlying ITCISs, the Allianz Choice Stable Growth Fund will invest in (i) equities which are broadly diversified (in terms of industry sectors and/or companies of a particular capital size) with a majority of which are listed and traded on stock exchange approved by the MPFA and (ii) fixed-interest securities which carry a rating of BBB- or above (as rated by Standard &amp; Poor's) or Baa3 or above (as rated by Moody's Investors Services Inc.) or which in the opinion of the manager would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the MPFA and broadly diversified, for example in terms of the number of issuers. Where the Underlying ITCISs in which the Allianz Choice Stable Growth Fund invests tracks a bond index, such bond index will not have a significant portion of the constituent securities that do not satisfy the minimum credit rating requirements set out by the MPFA.</p> <p>The Allianz Choice Stable Growth Fund will invest in 5 or more Underlying APIFs and/or Underlying ITCISs.</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>The Allianz Choice Stable Growth Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of the General Regulation.</p> <p>The Allianz Choice Stable Growth Fund may also hold cash for ancillary purposes.</p> <p>The Allianz Choice Stable Growth Fund currently does not intend to engage in security lending transactions and/or repurchase agreements. The Allianz Choice Stable Growth Fund and the Underlying APIFs will not enter into any financial futures contracts or financial option contracts other than for hedging purpose, although the Underlying ITCISs may enter into financial derivatives for hedging or non-hedging purpose. The Allianz Choice Stable Growth Fund is not expected to incur any leverage arising from the use of derivatives.</p>
America Equity Fund, a sub-fund of JPMorgan Funds	AIA American Equity Fund	<p>Manager: J.P. Morgan Investment Management Inc.</p> <p>Objectives: To provide long-term capital growth by investing primarily in a concentrated portfolio of companies in the US.</p> <p>Strategy: At least 67% of the assets of the America Equity Fund (excluding cash and cash equivalents) will be invested in equity securities of companies that are domiciled in, or carrying out the main part of their economic activity in the US. The portfolio of the America Equity Fund will invest in approximately 20 to 40 companies. The America Equity Fund is not subject to any limitation on the portion of its total net asset value that may be invested in any sector or any limitation on the market capitalisation of the companies in which it may invest.</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>The America Equity Fund may typically hold up to 10% of its total net assets in cash and cash equivalents. From time to time, and under certain circumstances (e.g. to pay large redemption requests), this may increase as considered appropriate by the manager.</p> <p>The expected proportion of the assets under management of the America Equity Fund that could be subject to securities lending fluctuates between 0% and 20%, the latter being the maximum. The America Equity Fund does not currently intend to enter into any reverse repurchase transactions. The America Equity Fund may use financial derivative instruments for the purposes of hedging and efficient portfolio management.</p>
European Equity Fund, a sub-fund of Fidelity Global Investment Fund	AIA European Equity Fund	<p>Manager: FIL Investment Management (Hong Kong) Limited</p> <p>Objectives: To produce returns that are related to those achieved on the major stock market indices of Europe by focusing investment into equity markets of Europe.</p> <p>Strategy: The European Equity Fund will invest at least 70% of its net asset value into equity markets of Europe. The European Equity Fund intends to manage the volatility of returns in the short term.</p> <p>The European Equity Fund will not engage in security lending, repurchase agreements and reverse repurchase agreements. The European Equity Fund is not expected to incur any leverage arising from the use of derivatives.</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
Hong Kong Equity, a sub-fund of Schroder International Selection Fund	AIA Hong Kong Equity Fund	<p>Manager: Schroder Investment Management (Hong Kong) Limited</p> <p>Objectives: Aims to provide capital growth in excess of the FTSE Hong Kong (Net TR) index after fees have been deducted over a three to five year period* by investing in equity and equity related securities of Hong Kong SAR companies.</p> <p><i>* For clarification purpose, this means to exceed a medium to long-term return of the FTSE Hong Kong (Net TR) index after fees have been deducted. The three to five year period is considered as a medium to long-term period, and is the period over which an investor should assess the performance of the Hong Kong Equity.</i></p> <p>Strategy: The Hong Kong Equity is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies listed on the Hong Kong Stock Exchange. The Hong Kong Equity may invest directly in China B-Shares and China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly via instruments such as participatory notes, rather than the use of derivatives, in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Hong Kong Equity does not currently intend to invest 30% or more of the net asset value of the Hong Kong Equity directly and indirectly in China A-Shares and China B-Shares. The Hong Kong Equity is not subject to any limitation on the market capitalisation of the companies that it may invest in.</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>The Hong Kong Equity may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash.</p> <p>Under exceptional circumstances (e.g. market crash or major crisis), the Hong Kong Equity may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.</p> <p>The performance of the Hong Kong Equity should be assessed against its target benchmark being to exceed the FTSE Hong Kong (Net TR) index (“<b>Target Benchmark</b>”) and compared against the Morningstar Hong Kong Equity Category (“<b>Comparator Benchmark</b>”). The investment universe of the Hong Kong Equity is expected to overlap to a limited extent with the components of the Target Benchmark. The Comparator Benchmark is only included for performance comparison purposes and does not have any bearing on how the manager invests the assets of the Hong Kong Equity.</p> <p>The Hong Kong Equity will not, for the time being, engage in securities lending transactions. The Hong Kong Equity may use derivatives with the aim of reducing risk or managing the Hong Kong Equity more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps,</p>



Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		forward contracts and/or a combination of the above.
iShares Core Hang Seng Index ETF	AIA Hong Kong and China Fund	<p>Manager: BlackRock Asset Management North Asia Limited</p> <p>Objectives: Aims to provide investment results that, before fees and expenses, closely correspond to the performance of the Hang Seng Index ("HSI").</p> <p>Strategy: The iShares Core Hang Seng Index ETF is a passively managed fund. It adopts a representative sampling investment strategy to achieve its investment objective by investing in a portfolio of securities featuring high correlation with the HSI, such that as far as possible and practicable the portfolio will consist of the component securities of the HSI. The iShares Core Hang Seng Index ETF will invest primarily in securities included in the HSI.</p> <p>The iShares Core Hang Seng Index ETF may from time to time hold securities that are not included in the HSI in circumstances which are independent of the manager, including where trading in a constituent security has been suspended, such holding results from a corporate action of a constituent security, or the portfolio is being rebalanced in anticipation or response to a rebalance of the HSI. The iShares Core Hang Seng Index ETF may also invest in investments including futures contracts, index futures contracts, options on futures contracts and options related to the HSI, local currency and forward currency exchange contracts, swaps and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the manager believes will help the iShares Core Hang Seng Index ETF achieve its</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>investment objective.</p> <p>The manager may switch between the representative sampling and the full replication investment strategies without notice to investors and in its absolute discretion. A full replication investment strategy involves investing in substantially all the securities (either directly or indirectly) in substantially the same weightings as those securities comprised in the HSI.</p> <p>The iShares Core Hang Seng Index ETF currently does not intend to engage in any securities financing transactions or other similar over the counter transactions. The iShares Core Hang Seng Index ETF may invest in financial derivative instruments for non-hedging purposes.</p>
iShares World Equity Index Fund	AIA World Fund	<p>Manager: BlackRock Asset Management North Asia Limited</p> <p>Objectives: To provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF All-World Index (HKD unhedged total return) (“<b>Index</b>”).</p> <p>Strategy: The manager of the iShares World Equity Index Fund intends to invest primarily in securities included in the Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Index. The number of securities held by the iShares World Equity Index Fund will vary according to the size of the iShares World Equity Index Fund but is not expected to be less than 50% of the number of the Index constituents at any point in time. The iShares World Equity Index Fund may hold up to 10% of its net asset</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>value in securities that are not included in, but match the characteristics of, the Index, in circumstances considered appropriate by the manager of the iShares World Equity Index Fund (e.g. when the trading of the securities included in the Index are suspended; due to regulatory restriction or due to stock exchange closure).</p> <p>The iShares World Equity Index Fund may invest less than 30% of its net asset value in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and/or China B-Shares. The iShares World Equity Index Fund may invest, in aggregate, not more than 10% of its net asset value in units or shares of other underlying collective investment schemes. The iShares World Equity Index Fund will not directly or indirectly invest in debt securities.</p> <p>The iShares World Equity Index Fund does not intend to engage in securities financing transactions. The iShares World Equity Index Fund may invest up to 10% of the latest available net asset value of the iShares World Equity Index Fund in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimisation.</p>
JPMorgan SAR American Fund	AIA American Equity Fund	<p>Manager: JPMorgan Asset Management (Asia Pacific) Limited</p> <p>Objectives: To provide investors with long-term capital growth in US dollar terms through a portfolio consisting primarily of securities of companies based or operating principally in the US.</p> <p>Strategy: The value of the JPMorgan SAR American Fund's holding of</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund						
		<p>securities of companies which are based or operating principally in the US shall not be less than 70% of its net asset value. A portion of the JPMorgan SAR American Fund may be invested in companies which are based or operate in other countries on the American continents. The proposed asset allocation of the JPMorgan SAR American Fund is as follows:</p> <table border="1" data-bbox="1034 603 1787 865"> <tr> <td data-bbox="1034 603 1464 679">Net asset value in America equities</td> <td data-bbox="1464 603 1787 679">70-100%</td> </tr> <tr> <td data-bbox="1034 679 1464 756">Net asset value in other equities</td> <td data-bbox="1464 679 1787 756">0-30%</td> </tr> <tr> <td data-bbox="1034 756 1464 865">Net asset value in bonds (for cash management purpose only)</td> <td data-bbox="1464 756 1787 865">0-30%</td> </tr> </table> <p>The manager does not currently intend to enter into securities lending arrangements and repurchase agreements. The JPMorgan SAR American Fund may acquire financial derivatives instruments such as options, warrants and futures for hedging or non-hedging purpose. The JPMorgan SAR American Fund is not expected to incur any leverage arising from the use of derivatives.</p>	Net asset value in America equities	70-100%	Net asset value in other equities	0-30%	Net asset value in bonds (for cash management purpose only)	0-30%
Net asset value in America equities	70-100%							
Net asset value in other equities	0-30%							
Net asset value in bonds (for cash management purpose only)	0-30%							
JPMorgan SAR Asian Fund	AIA Asia ex Japan Equity Fund	<p>Manager: JPMorgan Asset Management (Asia Pacific) Limited</p> <p>Objectives: To provide investors with long term capital growth in US dollar terms through a portfolio consisting primarily of securities of companies based or operating principally in the Asia-Pacific region, excluding Japan and Hong Kong.</p>						

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund						
		<p data-bbox="1025 384 2029 523">Strategy: The value of the JPMorgan SAR Asian Fund's holding of securities of companies which are based or operating principally in the Asia-Pacific region (excluding Japan and Hong Kong) shall be not less than 70% of its net asset value.</p> <p data-bbox="1025 568 2042 858">As investment will be made primarily in the Asia-Pacific equity markets, higher returns will usually be available as compared with investments in fixed income securities or bonds. However, the investment will, to a certain extent, also be subject to the short term volatility of the equity markets, which means that the risks associated with the investments will be higher as compared with investments in fixed income securities or bonds. The proposed asset allocation of the JPMorgan SAR Asian Fund shall be as follows:</p> <table border="1" data-bbox="1034 898 1785 1161"> <tbody> <tr> <td data-bbox="1043 904 1462 970">Net asset value in Asia-Pacific equities</td> <td data-bbox="1462 904 1776 970">70-100%</td> </tr> <tr> <td data-bbox="1043 970 1462 1046">Net asset value in other equities</td> <td data-bbox="1462 970 1776 1046">0-30%</td> </tr> <tr> <td data-bbox="1043 1046 1462 1155">Net asset value in bonds (for cash management purpose only)</td> <td data-bbox="1462 1046 1776 1155">0-30%</td> </tr> </tbody> </table> <p data-bbox="1025 1201 2007 1305">The JPMorgan SAR Asian Fund may not invest (directly or indirectly) more than 10% of its net assets in China A-Shares and/or China B-Shares.</p> <p data-bbox="1025 1350 2013 1380">The manager does not currently intend to enter into securities lending</p>	Net asset value in Asia-Pacific equities	70-100%	Net asset value in other equities	0-30%	Net asset value in bonds (for cash management purpose only)	0-30%
Net asset value in Asia-Pacific equities	70-100%							
Net asset value in other equities	0-30%							
Net asset value in bonds (for cash management purpose only)	0-30%							

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund				
		<p>arrangements and repurchase agreements. The JPMorgan SAR Asian Fund may acquire financial derivatives instruments such as options, warrants and futures for hedging or non-hedging purpose. The JPMorgan SAR Asian Fund is not expected to incur any leverage arising from the use of derivatives.</p>				
JPMorgan SAR Global Bond Fund	AIA Global Bond Fund	<p>Manager: JPMorgan Asset Management (Asia Pacific) Limited</p> <p>Objectives: To provide investors with long-term capital growth in US dollar terms through a portfolio consisting primarily of international bonds of developed markets.</p> <p>Strategy: The proposed asset allocation of the JPMorgan SAR Global Bond Fund is as follows:</p> <table border="1" data-bbox="1032 900 1789 1212"> <tbody> <tr> <td data-bbox="1032 900 1469 1018">Net asset value in international bonds of developed markets</td> <td data-bbox="1469 900 1789 1018">70-100%</td> </tr> <tr> <td data-bbox="1032 1018 1469 1212">Net asset value in international bonds of developing markets as permitted under the General Regulation</td> <td data-bbox="1469 1018 1789 1212">0-30%</td> </tr> </tbody> </table> <p>The JPMorgan SAR Global Bond Fund may not invest (directly or indirectly) more than 10% of its net assets in onshore debt securities issued in the PRC. Subject to the requirements under the UT Code, the JPMorgan SAR Global Bond Fund may invest up to 20% of its net asset</p>	Net asset value in international bonds of developed markets	70-100%	Net asset value in international bonds of developing markets as permitted under the General Regulation	0-30%
Net asset value in international bonds of developed markets	70-100%					
Net asset value in international bonds of developing markets as permitted under the General Regulation	0-30%					

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund				
		<p>value in instruments with loss-absorption features (e.g. contingent convertible debt securities, certain types of senior non-preferred debts, etc.).</p> <p>The manager does not currently intend to enter into securities lending arrangements and repurchase agreements. The JPMorgan SAR Global Bond Fund may acquire financial derivatives instruments such as options, warrants and futures for hedging or non-hedging purpose. The JPMorgan SAR Global Bond Fund is not expected to incur any leverage arising from the use of derivatives.</p>				
JPMorgan SAR Greater China Fund	AIA Greater China Equity Fund	<p>Objectives: To provide investors with long-term capital growth in HK dollar terms through a portfolio consisting primarily of securities of companies based or operating principally in the Greater China region (i.e. the PRC, Hong Kong, Taiwan, and Macau) and the majority of these companies will be listed on a stock exchange in Hong Kong or Taiwan.</p> <p>Strategy: The value of the JPMorgan SAR Greater China Fund's holding of securities of companies which are based or operating principally in the Greater China region shall be not less than 70% of its net asset value. The proposed asset allocation of the JPMorgan SAR Greater China Fund shall be as follows:</p> <table border="1" data-bbox="1032 1230 1794 1380"> <tbody> <tr> <td data-bbox="1032 1230 1469 1305">Net asset value in Greater China equities</td> <td data-bbox="1469 1230 1794 1305">70-100%</td> </tr> <tr> <td data-bbox="1032 1305 1469 1380">Net asset value in other equities</td> <td data-bbox="1469 1305 1794 1380">0-30%</td> </tr> </tbody> </table>	Net asset value in Greater China equities	70-100%	Net asset value in other equities	0-30%
Net asset value in Greater China equities	70-100%					
Net asset value in other equities	0-30%					

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund	
		Net asset value in bonds (for cash management purpose only)	0-30%
JPMorgan SAR Hong Kong Fund	AIA Hong Kong Equity Fund	<p>Manager: JPMorgan Asset Management (Asia Pacific) Limited</p> <p>Objectives: To provide investors with long-term capital growth in Hong Kong dollar terms through a portfolio consisting primarily of securities of companies either listed, based, or operating principally in Hong Kong.</p> <p>Strategy: The value of the JPMorgan SAR Hong Kong Fund's holding of securities of companies which are either listed, based, or operating principally in Hong Kong shall not be less than 70% of its net asset value. The proposed asset allocation of the JPMorgan SAR Hong Kong Fund is as follows:</p>	



Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund	
		Net asset value in Hong Kong equities	70-100%
		Net asset value in bonds (For cash management purpose only)	0-30%
		<p>The assets of the JPMorgan SAR Hong Kong Fund will be invested in either HKD denominated instruments or where invested into non-Hong Kong instruments, the currency exposure will be hedged back into HKD, i.e. the JPMorgan SAR Hong Kong Fund will have an effective 100% exposure to HKD.</p> <p>The manager does not currently intend to enter into securities lending arrangements and repurchase agreements. The JPMorgan SAR Hong Kong Fund may acquire financial derivatives instruments such as options, warrants and futures for hedging or non-hedging purpose. The JPMorgan SAR Hong Kong Fund is not expected to incur any leverage arising from the use of derivatives.</p>	
PineBridge Asia ex Japan Equity Fund, a sub-fund of PineBridge Global Funds	AIA Asia ex Japan Equity Fund	<p>Manager: PineBridge Investments Asia Limited</p> <p>Objectives: Seeks long-term capital appreciation by investing in the equity and equity-related securities of companies whose assets, products or operations are in the Asian Region.</p> <p>Strategy: The PineBridge Asia ex Japan Equity Fund seeks to achieve its investment objective by investing in the equity and equity-related</p>	

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>securities of companies whose assets, products or operations are in the Asian Region. The PineBridge Asia ex Japan Equity Fund may also, to a lesser extent, invest in equity and equity-related securities of companies whose assets, products or operations are in Australia and New Zealand.</p> <p>The PineBridge Asia ex Japan Equity Fund is an actively managed fund. A major proportion of the assets of the PineBridge Asia ex Japan Equity Fund will be invested in large, well established companies with the remainder being invested in smaller companies. The PineBridge Asia ex Japan Equity Fund may invest less than 30% of its net asset value in certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.</p> <p>There is no current intention for the PineBridge Asia ex Japan Equity Fund to enter into repurchase agreements or reverse repurchase agreements or to engage in securities lending transactions. The PineBridge Asia ex Japan Equity Fund may use financial derivative instruments including, but not limited to futures, options, swaps, forwards, and warrants for efficient portfolio management (including hedging) purposes only. The PineBridge Asia ex Japan Equity Fund will not use financial derivative instruments extensively for any purpose.</p>
PineBridge Global Bond Fund, a sub-fund of PineBridge Fund Series	AIA Global Bond Fund	<p>Manager: PineBridge Investments Hong Kong Limited</p> <p>Objectives: Seeks a high level of return from a combination of current income and capital appreciation by investing in a portfolio of debt securities denominated in US dollars and a variety of foreign</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>currencies.</p> <p>Strategy: The assets of the PineBridge Global Bond Fund shall predominantly (i.e. at least 70% of the total net assets) be invested in fixed or floating rate fixed income securities in the international markets, issued by governments, supranational organisations and corporates.</p> <p>The manager may invest up to 100% of the assets of the PineBridge Global Bond Fund in fixed income securities rated investment grade which also satisfy the minimum credit rating as stipulated by the MPFA.</p> <p>The manager may invest up to 30% of the total net assets of the PineBridge Global Bond Fund in debt instruments with loss-absorption features including, but not limited to, certain Additional Tier 1 and Tier 2 capital instruments, external LAC debt instruments under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules, debt instruments issued under a regime of non-Hong Kong jurisdictions which implements the Financial Stability Board’s standards for “Total Loss-absorbing Capacity Term Sheet”, non-preferred senior debt instruments, senior or subordinated debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of a trigger event.</p> <p>The manager may also invest up to 30% of the total net assets of the PineBridge Global Bond Fund in money market instruments, cash or cash equivalents as permitted under the General Regulation and the MPFA’s guidelines.</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>The manager does not intend to engage in securities lending. The manager may from time to time acquire financial derivative instruments for hedging purposes in accordance with Schedule 1 to the General Regulation and the UT Code.</p>
<p>PineBridge Greater China Equity Fund, a sub-fund of PineBridge Fund Series</p>	<p>AIA Greater China Equity Fund</p>	<p>Manager: PineBridge Investments Hong Kong Limited</p> <p>Objectives: Seeks to provide long-term capital appreciation by investing in the equity securities of companies with exposure to the economies of countries within the Greater China region (i.e. the PRC, Hong Kong and Taiwan).</p> <p>Strategy: The PineBridge Greater China Equity Fund may invest at least 70% of the total net assets in equity securities, securities convertible into equity securities and other investments giving exposure to equity securities, in each case the equity securities are either listed or to be listed on an approved stock exchange as defined in the General Regulation in the Greater China region.</p> <p>The manager may invest less than 30% of the total net assets of the PineBridge Greater China Equity Fund in equity securities listed, issued or giving exposure outside of the Greater China region, and depository receipts or fixed income securities, whether listed, issued or giving exposure within or outside of the Greater China region. In addition, the manager may invest in aggregate up to 10% of the assets of the PineBridge Greater China Equity Fund in shares listed on a stock exchange that is not an approved stock exchange. The remaining assets of the PineBridge Greater China Equity Fund may be held in</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>cash or near-cash securities.</p> <p>The manager does not intend to engage in securities lending. Should the manager decide to engage in securities lending in the future, the manager will seek prior approval of the SFC and notify the MPFA and the unitholders in advance. The manager may from time to time acquire financial derivative instruments for hedging purposes in accordance with Schedule 1 to the General Regulation and the UT Code.</p>
The Tracker Fund of Hong Kong	AIA Hong Kong and China Fund	<p>Manager: Hang Seng Investment Management Limited</p> <p>Objectives: To provide investment results that closely correspond to the performance of the Hang Seng Index (“<b>HSI</b>”).</p> <p>Strategy: The manager seeks to achieve the investment objectives of the Tracker Fund of Hong Kong by investing all, or substantially all, of the Tracker Fund of Hong Kong's assets in shares in the constituent companies of the HSI in substantially the same weightings as they appear in the HSI.</p> <p>The Tracker Fund of Hong Kong is not allowed to engage in stock lending. The manager does not at the date of the prospectus of the Tracker Fund of Hong Kong intend to enter into transactions utilising futures contracts and options. However, the Tracker Fund of Hong Kong is permitted to enter into futures contracts and options for hedging purposes or to achieve its investment objectives in accordance with the deed of trust constituting the Tracker Fund of Hong Kong and the UT Code. The value of the Tracker Fund of Hong Kong's investments in</p>

Underlying Fund	Investment Portfolio Investing in the Underlying Fund(s)	Details of the Underlying Fund
		<p>options (in terms of the total amount of premium paid) and the value of the Tracker Fund of Hong Kong's investments in futures contracts (in terms of the total net aggregate value of outstanding contract prices payable by or to the Tracker Fund of Hong Kong) will not in the aggregate exceed 10% of the Tracker Fund of Hong Kong's net asset value. The Tracker Fund of Hong Kong may only enter into futures contracts and options which are quoted, listed or dealt on the SEHK or the Hong Kong Futures Exchange Limited. In addition, the prior approval of the supervisory committee is required before the Tracker Fund of Hong Kong may enter into futures contracts and options.</p>

Further details of the investment objectives and policies and the risk factors of the abovementioned Underlying Funds are set out in their respective offering documents (including the Product Key Facts Statements), which can be obtained free of charge by contacting our hotline at 2100 1888/2200 6288.



## Appendix C - Summary of Fees and Charges

For Investment Portfolios in the form of direct investment funds (i.e. excluding the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund)		
Name of Investment Portfolio	Fund Charges	
	Trustee Fee (% p.a. of the net asset value of the relevant Investment Portfolio)	Investment Management Fee (inclusive of trustee fee and management fee of underlying fund(s)) (% p.a. of the net asset value of the relevant Investment Portfolio) (See Note)
AIA Asia ex Japan Equity Fund	Up to 0.3%	Up to 1.2%
AIA European Equity Fund		
AIA American Equity Fund		
AIA Hong Kong Equity Fund		Up to 0.95%
AIA Growth Fund		Up to 1.25% (inclusive of trustee fee of underlying funds not exceeding 0.3%)
AIA Balanced Fund		
AIA Capital Stable Fund		
AIA Manager's Choice Fund		
AIA Greater China Equity Fund		
AIA Global Bond Fund*		Up to 0.69%
AIA Hong Kong and China Fund	Up to 0.3%	Up to 0.69%
AIA World Fund		
For the AIA Guaranteed Fund and the AIA Capital Guaranteed Fund (in the form of guaranteed funds)		
Name of Investment Portfolio	Fund Charges	
	Investment Portfolio Level	Underlying Fund Level
	Trustee Fee / Investment Management Fee (% p.a. of the net asset value of the relevant Investment Portfolio) (See Note)	Trustee Fee / Management Fee (% p.a. of the net asset value of the relevant underlying investment)
AIA Guaranteed Fund	1%	N/A
AIA Capital Guaranteed Fund	Not exceeding 1%, currently waived	1%

\* The aggregate fee is capped at 0.99% p.a. of the net asset value of the Investment Portfolio for AIA Global Bond Fund.

### Note:

- Fees chargeable not in the form of a percentage of the net asset value of the relevant Investment Portfolio are not included in the investment management fee in the above table.

- Other than the fees and charges summarised in the above table, the Investment Portfolio or its underlying fund(s) will also bear all fees and expenses incurred in connection with or in relation to, as applicable, the Scheme, the Investment Portfolio or the relevant underlying fund(s), including custody, sub-custody expenses and stamp duties, any application, authorisation, annual or other fees payable to any regulatory authorities, and any levy imposed by the relevant Hong Kong legislation, in particular, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, proxy fees and expenses, collection fees and expenses, insurance and security costs (if any), the fees and expenses of the auditors, legal charges and other advisory charges, the expenses of giving notices to or otherwise communicating with participating employers (as applicable) or external retirement scheme investors (as applicable), the costs and expenses incurred in effecting and maintaining any insurance, other expenses required by any other applicable laws or regulations to be taken out in respect of the Scheme, the Investment Portfolio or the relevant underlying fund(s) (as applicable) and other costs as described in the constitutive documents.

-End-

For the full meaning and effect of this Principal Brochure, the provisions herein should be read in the context of the constitutive documents of the Scheme.

**Investment involves risks and not all Investment Portfolios under the Scheme would be suitable for everyone. Investment performance and returns may go down as well as up.**