



Product Summary for AIA Smart Flexi Rewards (II) (10-Pay)

Ver. 5.0

To help you understand Life Participating Insurance policies better, please refer to 'Your Guide To Participating Policies' (YGTPP), which can be found at www.aia.com.sg or www.lia.org.sg. YGTPP is also available from your AIA Financial Services Consultant, your Financial Adviser or their representatives.

1. Provider of the Plan

AIA Singapore Private Limited (Reg. No. 201106386R) ("we, our, us, AIA Singapore")
1 Robinson Road
AIA Tower
Singapore 048542

2. Nature & Objective of the Plan

AIA Smart Flexi Rewards (II) (10-Pay) is an endowment plan with yearly coupon payouts that is designed to help you maximise your savings. This plan allows you to customize your savings horizon, with policy terms ranging from 20 to 30 years. Premiums are payable for 10 years.

This is a participating life insurance plan, which allows the policyholder to participate in the performance of the participating fund in the form of bonuses that are not guaranteed.

3. Benefits under the Plan

AIA Smart Flexi Rewards (II) (10-Pay) provides you with the following benefits:

a. Coupon Benefit

We will pay a guaranteed yearly coupon starting from 4th policy anniversary until the policy anniversary one year before maturity. Each coupon amount payable is equivalent to 30% of the Insured Amount.

Any coupon payments to you will be subject to deduction of any and all amounts owing to us under your policy.

You may choose to receive the coupon or leave it with us to accumulate interest at the prevailing rate. Our requirements must be satisfied before any such coupons can be withdrawn.

Note: The Insured Amount is equal to the Annual Premium before large case size discount. The Insured Amount is not the death benefit. It is used to determine the guaranteed yearly coupon, Guaranteed Maturity Amount and bonuses.

b. Maturity Benefit

Upon maturity, we will pay:

- (1) Guaranteed Maturity Amount being a percentage of the Insured Amount based on the applicable Policy Term, as set out in the table immediately below; and
- (2) any bonuses added to your Basic Policy which you have not surrendered

plus any coupons which have been left to accumulate with us, after deducting any and all amounts owing to us under your policy.

Table of Guaranteed Maturity Amount based on Policy Term

Policy Term (Years)	Guaranteed Maturity Amount (of Insured Amount)	Policy Term (Years)	Guaranteed Maturity Amount (of Insured Amount)
20	570%	26	390%
21	540%	27	360%
22	510%	28	330%
23	480%	29	300%
24	450%	30	270%
25	420%		



Your policy will automatically terminate on the maturity date.

c. Death Benefit

In the event of death of the Insured, we will pay:

- (1) an amount being the higher of the following:
 - a) 101% of the total premium paid and/or waived on your Basic Policy based on the applicable Insured Amount (including any premium adjustment for premium payment mode), without interest, after deducting the total coupon paid; or
 - b) guaranteed cash value; and
- (2) any bonuses added to your Basic Policy which you have not surrendered

plus any coupons which have been left to accumulate with us, after deducting any and all amounts owing to us under your policy.

Your policy will automatically terminate upon the death of the Insured.

d. Surrender Value

You may surrender your policy for its cash value, subject to deduction of any and all amounts owing to us under your policy.

Your policy will automatically terminate once it is surrendered in full.

Bonuses

You can receive bonuses in the form of Reversionary Bonus and Terminal Bonus.

a. Reversionary Bonus (RB)

RB is a discretionary bonus that we may credit to your policy on an annual basis depending on the experience of the participating fund.

At Illustrated Investment Rate of Return of 4.25% per annum, the RB rate is illustrated to be as follows:

Policy Year	AIA Smart Flexi Rewards (II) (10-Pay) RB Rate (per annum)
Yearly, starting from the end of the 1 st policy year	S\$25 per S\$1,000 Insured Amount, compounding at 2.50%

In comparison, at an illustrated Investment Rate of Return of 3.00% per annum, the RB rate is expected to be adjusted downwards depending on the future outlook of the participating fund.

RB declared in a particular year (if any) could be different from what is illustrated in the Policy Illustration at the time you purchased this policy or in subsequent projected illustrations that may be quoted to you.

RB once declared and credited to your policy is guaranteed and will not be affected by any subsequent years' revisions. However, if you surrender your policy, we will pay the surrender value of accumulated RB which is only a proportion of the accumulated RB. Our requirements must be satisfied before the reversionary bonus can be surrendered, and any payouts will be subject to deduction of any and all amounts owing to us under your policy.

b. Terminal Bonus (TB)

TB is a non-guaranteed discretionary bonus that may be payable upon death, surrender or at maturity.

Please refer to the Policy Illustration for the bonuses (including annual and terminal bonuses) amount at the illustrated Investment Rate of Return of 3.00% per annum and 4.25% per annum respectively. The two rates are used purely for illustrative purposes and do not represent upper and lower limits of the investment performance of the participating fund.



The Illustrated Investment Rate of Return is not guaranteed. The actual Investment Rate of Return will depend on the investment returns earned by the participating fund. As the bonus rates used for the benefits illustrated above are not guaranteed, the actual benefits payable may vary according to the future experience of the participating fund.

All guaranteed benefits, including bonuses, which have already been credited to your policy, will be provided for regardless of the future performance of the participating fund.

Future bonuses (including annual and terminal bonuses) are not guaranteed and are adjusted depending on the experience of the Participating Fund. This includes, the past, prevailing and projected future investment returns and other experience factors. In particular, investment returns can be volatile and we may vary bonuses from time to time. As such, the actual bonuses credited in a particular year could differ from previous projections or illustrations. In times of substantial decline in investment returns, we may reduce bonuses significantly. Conversely, in times of substantial increases in investment returns, we may increase bonuses to higher than those originally projected at the time of purchase of your policy.

Bonuses declared each year will be recommended, in writing, by the Appointed Actuary and approved by AIA Singapore's Board of Directors.

4. Exclusions

There are certain conditions under which no benefits will be payable. These are stated as exclusions in the policy contract. The exclusions for this plan include, but are not limited to, the following conditions. You are advised to read the policy contract for the full list of exclusions.

Death Benefit

If the Insured commits suicide within one year from the policy issue date or date of reinstatement, whichever is later, our liability will be limited to a return of premiums paid without interest.

5. Investment of Assets

The premiums of the participating policies in the participating fund are invested in a range of assets and reflect the investment objectives:

- (a) ensure that the participating fund is financially sound and is able to meet the regulatory fund solvency requirements at all times; and
- (b) achieve an investment return sufficient to meet the guaranteed liabilities; and
- (c) enable the declaration of bonuses at reasonable levels.

The participating fund is managed by:

AIA Investment Management Private Limited

1 Robinson Road, AIA Tower #08-00, Singapore 048542

The current investment mix as at 31 December 2024 and target investment mix are as follows:

Asset Class	Target	Current
Bonds	65%	66%
Risky Assets*	35%	34%
Total	100%	100%

**Includes listed common stocks, private equity, alternative investments, investments into funds and real estate. We may vary the risk assets allocation depending on market conditions.*



Investment Rate of Return

For our Participating Fund, the past investment rates of return (after deducting investment expenses only) are shown in the table below. The Participating Fund can be separated into different sub-groups; the figures below refer to the investment returns for the sub-group or class of products that this policy belongs to.

	2022	2023	2024	Average over the last 3 years	Average over the last 5 years	Average over the last 10 years
Investment Returns	-8.8%	5.8%	6.7%	1.0%	2.6%	3.8%

Please note that past performance may not be indicative of future performance.

Total Expense Ratio

The Total Expense Ratio is the proportion of total expenses incurred by the Participating Fund to the assets of the Participating Fund. These expenses include costs such as investment, management, distribution, taxation and other expenses.

An expected level of expenses to be incurred by the Participating Fund has been allowed for in the premiums payable for your policy and is not an additional cost to you. If the actual level of expenses vary significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

For our Participating Fund, the past Total Expense Ratios are shown in the table below.

	2022	2023	2024	Average over the last 3 years	Average over the last 5 years	Average over the last 10 years
Total Expense Ratio [^]	1.2%	1.3%	1.2%	1.3%	1.3%	1.5%

[^]The Total Expense Ratio is for the whole Participating Fund.

Please note that past expense ratios may not be indicative of actual expenses that may be incurred in the future.

6. Types of Risks Affecting the Level of Bonuses

The key factors affecting the performance of the participating fund are investment returns, mortality and morbidity experience, lapse and surrender experience, business risks (including but not limited to product design, selling and marketing practices, and demographic changes) and expense experience of the participating fund as a whole.

We will determine the level of bonuses taking into account the current performance as well as future outlook for the participating fund.

7. Sharing of Risks

Investment risks are shared among all the policies within the same group or class of products. Investment risks include foreign exchange risk on equities. The other key risks affecting the value of the Participating Fund including mortality, morbidity, lapses and surrenders, expenses and business risks are mostly shared by all the policies in the Participating Fund.

In determining the level of bonuses that can be paid, the assets available to support the group or class of products that this participating policy belongs to are derived by accumulating the premiums paid and investment income, minus the payments attributed to the group of policies (e.g. death benefits, survival benefits, surrender benefits, annual dividend paid out (if any), distribution to shareholders, tax and expenses).



8. Smoothing of Bonuses

In order to provide an element of stability in the returns to policyholders, smoothing is applied by spreading profits and losses from one year to the next. This means that in years where experience is good, not all the profits will be distributed to policyholders through bonuses declared, but instead such profits may be used to maintain returns to policyholders in years where experience is poor. The long-term cost of smoothing is intended to be broadly neutral across generations of policyholders.

For RBs, the scales are usually reviewed once a year. There is no maximum amount by which the scales may change from one year to the next.

For TB, the scales are usually reviewed once a year. However, TB may be changed at any time, particularly in adverse financial conditions.

This product was launched in 2021. The RBs declared over the past 3 years are consistent with the RB illustrated at the Illustrated Investment Rate of Return of 4.25% per annum as shown in the Policy Illustration / Supplementary Illustration.

TB is only available from policy year 17 onwards for policy term 18 years and above and during maturity year for policy term less than 18 years. As such, there is no past experience available for TB yet.

Please note that past performance is not necessarily indicative of future performance.

9. Fees and Charges

This plan shares in the experience of the participating fund. This means that any expenses incurred by the plan can be charged to the policy including:

- commissions relating to participating policies;
- costs of acquiring new participating business (e.g. underwriting and issue expenses);
- costs of maintaining in-force participating business (e.g. premium collection, issuing renewal statements, administration system maintenance, financial and statutory reporting);
- investment expenses;
- taxation expenses;
- a reasonable and fair proportion of the general management and overhead expenses;
- claim expenses (e.g. mortality/morbidity, surrender); and
- any other expenses and charges properly attributable to the participating fund.

All expenses, except for commissions, are shared and charged to the assets backing the policy according to the Sharing of Risk described earlier. For commissions, the actual amount is charged to each individual policy. All fees and charges have been included in the calculation of the premium and will not be charged separately to you.

10. Adjustment in Premium Rates

The premium rates are guaranteed.

11. Impact of Early Surrender

You may wish to refer to the Policy Illustration which illustrates the surrender value you will receive if you intend to surrender your policy.

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high costs and the surrender value, if any, that is payable to you may be zero or less than the total premiums paid. You should consider carefully before terminating the policy or switching to a new one as there may be disadvantages in doing so. The new policy may cost more or have fewer benefits at the same cost.

12. Update on Performance

You will receive an annual performance update which consists of the following:

- Participating Policy Annual Statement that sets out the illustrated benefits at maturity / surrender within 2 months of your policy anniversary; and
- Participating Fund Commentary on the performance of the participating fund and the outlook, usually by July every year.



13. Conflict of Interest

Potential conflicting interests may arise from time to time between this policy and other policies issued by us, or between the participating fund of this policy and other funds of other policies or other funds managed by us. In such cases, we will act fairly in respect of all policies issued by us and all funds managed by us and to balance the interests of this policy and the relevant fund.

14. Related Parties Transactions

AIA Investment Management Private Limited, the manager of AIA participating funds, is a related party to AIA Singapore. We will ensure that all related parties transactions are done in a just and equitable manner and carried out at arms' length.

For related party transactions which are considered material outsourcing, AIA Singapore will comply with its outsourcing guidelines which would require, among others, that the terms of the transaction are documented and that risks relating to business continuity management, monitoring and control, audit and inspection and performance standards are clearly set out.

15. Free-Look Period

After purchasing a life insurance policy, you have a 14-day free-look period starting from the day you receive your policy documents to review the documents carefully. During this time, if you choose to cancel your policy, the insurer will refund you the premiums you have paid, less any medical fees and other expenses, such as payments for medical check-ups and medical reports, incurred by the insurer.

If you opted for an electronic copy of your Policy, the 14-day free-look period will start when you receive our SMS or email notification, informing you that the policy contract documents are available for your viewing on our customer portal.

If we have posted the policy to you, the 14-day free-look period will start seven (7) days from the date we posted the policy.

If the Policy was delivered to you by hand, the 14-day free-look period will start seven (7) days from the date on which the Policy was given to the postal / courier company or your insurance representative.

Important Notes:

This insurance plan is underwritten by AIA Singapore. All insurance applications are subject to our underwriting and acceptance. Submission of an application and payment of premium does not constitute and should not be construed as acceptance by us. We reserve the right to withdraw the plan or reject applications, at anytime or for any reason without notice.

This product summary does not form a part of any contract of insurance. It is intended only to be a simplified description of the product features applicable to this plan and is not exhaustive. The contents of this product summary may vary from the terms of cover eventually issued. Please refer to the actual policy contract for all terms and conditions, including exclusions whereby the benefits under your policy may not be paid out. You are advised to read the policy contract. For the avoidance of doubt, only the terms and conditions as set out in the policy contract will bind the parties.