

Franklin Templeton Investment Funds (FTIF)

This Fund Summary is for the following ILP sub-funds and should be read in conjunction with the Product Summary

FTIF – Franklin Biotechnology Discovery Fund
 FTIF – Franklin European Small-Mid Cap Growth Fund
 FTIF – Franklin Mutual Global Discovery Fund
 FTIF – Franklin Mutual U.S. Value Fund
 FTIF – Franklin Strategic Income Fund
 FTIF – Franklin U.S. Opportunities Fund
 FTIF – Templeton Asian Growth Fund
 FTIF – Templeton Global Fund
 FTIF – Templeton Global Income Fund
 FTIF – Templeton Global Total Return Fund
 FTIF – Templeton Latin America Fund

Structure of ILP Sub-Fund

The ILP sub-funds are feeder funds investing in the sub-funds (the “Underlying Funds”) of Franklin Templeton Investment Funds (“FTIF”). FTIF is incorporated in Luxembourg under the laws of the Grand Duchy of Luxembourg as a *société anonyme* and qualifies as a *société d'investissement à capital variable* (open-end investment company, "SICAV"). It is domiciled in Luxembourg. Please refer to the sections on “Franklin Templeton Investment Funds” and “Summary of Main Features – Structure” in the FTIF Luxembourg Prospectus for further information on the structure of FTIF.

The units in the ILP Sub-Funds are not classified as Excluded Investment Products.

Information on the Manager

Investment Manager

The Investment Managers of the underlying FTIF sub-funds are listed below:

Funds	Investment Manager
FTIF – Franklin Biotechnology Discovery Fund	Franklin Advisers, Inc
FTIF – Franklin European Small-Mid Cap Growth Fund	Franklin Templeton Institutional, LLC
FTIF – Franklin Mutual U.S. Value Fund	Franklin Mutual Advisers, LLC
FTIF – Franklin Strategic Income Fund	Franklin Advisers, Inc.
FTIF – Templeton Asian Growth Fund	Templeton Asset Management Ltd
FTIF – Templeton Global Fund	Templeton Global Advisors Limited
FTIF – Templeton Global Income Fund	Franklin Advisers, Inc. and Templeton Global Advisors Limited (as Co-Investment Managers)
FTIF – Templeton Global Total Return Fund	Franklin Advisers, Inc
FTIF – Templeton Latin America Fund	Templeton Asset Management Ltd

Franklin Advisers, Inc

Based in San Mateo, California, Franklin Advisers, Inc. was formed in 1985 and is best known as a fixed income and money market specialist. Franklin Advisers, Inc. is a leading fixed income manager in the U.S., and forms part of the Franklin Fixed Income Group which was one of the pioneers in the development of U.S. Government Securities funds in the 1970s. The Franklin Fixed Income Group also introduced America’s first state-specific and double tax-free income fund in 1981.

In addition to its fixed income capabilities, Franklin Advisers, Inc. is also renowned for its expertise in U.S. equities, particularly in utilizing the growth style in equity investing. The Franklin Equity Group manages various sector-focused portfolios including financial services, biotechnology and utilities.



The Franklin Equity Group and the Franklin Fixed Income Group adopt a synergistic approach by leveraging on each other's research and analysis to provide a more comprehensive coverage of their respective areas.

Franklin Advisers Inc. has managed collective investment schemes since 1985.

Franklin Mutual Advisers, LLC

Franklin Mutual Advisers, LLC, formed in 1999 in the United States of America, is known for its expertise in the U.S. and European equity markets, specializing in identifying “special situation” investments. Its opportunistic and deep-value style of investing for its Mutual Series Funds focuses on stocks trading at a deep discount to asset value, companies in the midst of change such as mergers and acquisitions, and securities that are distressed or even in bankruptcy. The managers from Franklin Mutual Advisers, LLC are also known for promoting shareholder activism and being involved in the management of the organisations that they hold so as to effect positive change in these organisations.

Franklin Templeton Institutional, LLC

Franklin Templeton Institutional, LLC, formerly FTI Institutional, LLC until 1 October 2003, was formed on 9 October 2001. Franklin Templeton Institutional, LLC is registered as an investment adviser with the Securities & Exchange Commission in the United States. The registration was approved on 13 November 2001.

Templeton Asset Management Ltd

Templeton Asset Management Ltd is an indirectly wholly owned subsidiary of Franklin Resources, Inc., which operates as Franklin Templeton Investments, a global investment organisation with over 60 years of investing experience.

Franklin Templeton Investments is made up of four renowned names in the investment management industry - Franklin, Templeton, Mutual Series and Fiduciary Trust, each with its own unique investment style and specialization. FTI is able to capitalize on the investment and research expertise of investment professionals worldwide to achieve consistently superior performance in the long-term.

Franklin Resources, Inc., listed on the New York Stock Exchange, is currently one of the largest publicly traded U.S. asset managers in terms of both assets under management and market capitalization. Franklin Templeton Investments marked its presence in Singapore with the setup of a research office in 1990. Templeton Asset Management Ltd was officially incorporated in September 1992 and was registered as an Investment Advisor with the Authority under the now repealed Securities Industry Act. Templeton Asset Management Ltd currently holds a Capital Markets Services Licence for fund management issued by the Authority pursuant to the Securities and Futures Act.

Templeton Asset Management Ltd has been credited for providing innovative and creative investment products to the Singapore investing public since it pioneered Singapore's first umbrella and feeder fund, Franklin Templeton Funds, in 1996. Subsequently, it went on to launch the first emerging markets fund, the first life sciences fund and the first U.S. government securities fund in Singapore within a span of 5 years.

Templeton Global Advisors Limited

Templeton Global Advisors Limited, formerly Templeton, Galbraith & Hansberger, Ltd., is a Bahamian corporation located in Nassau, Bahamas. Templeton Global Advisors Limited is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 and with the Securities Commission of the Bahamas. The initial SEC registration date is September 22, 1992.

Other Parties

Please refer to section on “Other Parties” in the FTIF Singapore Prospectus for details of other parties involved in the Underlying Funds.

Investment Objectives, Focus & Approach

The investment objectives, focus and approach of the Underlying Funds are described in the section on “Investment Objectives, Focus and Approach of the Funds” in the FTIF Singapore Prospectus and “Appendix B – Investment Restrictions” in the FTIF Luxembourg Prospectus.

Risks

Please see the full risk factors set out under the section “**RISK CONSIDERATIONS**” in the Luxembourg Prospectus. The risks may include:

Asset Allocation risk

Some Underlying Funds may apply an actively managed asset allocation approach. Such Underlying Funds could experience losses if the Investment Manager’s and/or Investment Co-Managers’ judgment about markets, future volatility, interest rates, industries, sectors and regions or the attractiveness, relative values, liquidity, effectiveness or potential appreciation of particular investments made for an Underlying Fund’s portfolio prove to be incorrect. There can be no guarantee that these techniques or the Investment Manager’s and/or Investment Co-Managers’ investment decisions will produce the desired results. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to the Investment Manager and Investment Co-Managers in connection with managing the Underlying Funds and may also adversely affect the ability of the Underlying Funds to achieve its investment goals.

The Investment Manager and/or Investment Co-Managers may use modeling systems to implement their investment strategies for the Underlying Funds. There is no assurance that the modeling systems are complete or accurate, or representative of future market cycles, nor will they necessarily be beneficial to the Underlying Funds even if they are accurate. The results generated by these franklintempleton.lu 81 models may perform differently than in the past, or as expected. They may negatively affect the Underlying Funds performance and the ability of the Underlying Funds to meet its investment goal for various reasons. For example, human judgment plays a role in building, using, testing, and modifying the financial algorithms and formulas used in these models. Additionally, there is a possibility that the historical data may be imprecise or become stale due to new events or changing circumstances which the models may not promptly detect. Market performance can be affected by non-quantitative factors (for example, market or trading system dysfunctions, investor fear or over-reaction or other emotional considerations) that are not easily integrated into the Investment Manager’s or Investment Co-Managers’ risk models. There may also be technical issues with the construction and implementation of quantitative models (for example, software or other technology malfunctions, or programming inaccuracies).

Biotechnology, Communication and Technology Sectors risk

Investment in the biotechnology, communication and technology sectors may present a greater risk and a higher volatility than investment in a broader range of securities covering different economic sectors. In addition, these sectors may be subject to greater government regulation than other sectors and, as a result, changes to such government regulation may have a material adverse effect on these sectors. Such investments may therefore drop sharply in value in response to market, regulatory or research setbacks in addition to possible adverse effects from the competition of new market entrants, patent considerations and product obsolescence. Particularly within technology, short product cycles and diminishing profit margins are additional factors to consider when investing.

Concentration risk

Some Underlying Funds may have an investment policy which specifically states an intention to maintain a portfolio with holdings in a relatively limited number of issuers (for example, the securities of 30 to 40 companies) even as the Underlying Funds increases in size, for the purpose of keeping the Underlying Funds concentrated in fewer issuers than the Underlying Fund might normally hold as part of a more highly diversified strategy. It should be noted that some Underlying Funds may have holdings in a relatively limited number of issuers by virtue of being relatively small in size, so the smaller number of holdings is simply a result of the Underlying Funds not having sufficiently large net asset values to invest efficiently in more issuers – bonds in particular tend to trade in relatively large lot sizes that makes it difficult for small bond funds to have a large number of holdings. Underlying Funds that by policy seek to maintain a smaller number of holdings, however, will remain less diversified even as they grow in size. Additionally, some Underlying Funds may take concentrated positions in a limited number of markets by applying global macro strategies that seek to benefit from macro-economic opportunities or themes in selected areas, e.g. changes in national income, rate of growth, inflation, price levels or currencies. By being less diversified, such Underlying Funds may be more volatile than broadly diversified Funds, or may be exposed to greater risk since under performance of one or a few positions will have a greater impact in a less diversified Underlying Fund where there are fewer positions so each position will tend to be a larger percentage of total net assets. The relevant Underlying Funds may be adversely affected as a result of such greater volatility or risk.

Counterparty risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When over-the-

counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the Company may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

Equity risk

The value of the Underlying Funds that invests in equity and equity-related securities fluctuate daily. Prices of equities can be influenced and affected by many micro and macro factors such as economic, political, market, and issuer-specific changes. Such changes may adversely affect the value of the equities which can go up and down, regardless of company-specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Underlying Funds's value are often exacerbated in the short-term as well. The risk that one or more companies in the Underlying Funds's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period and the Underlying Funds investing in equities could incur significant losses.

Growth Stocks risk

The Underlying Funds investing in growth stocks can be more volatile and may react differently to economic, political, market, and issuer-specific developments than the overall market. Historically, the prices of growth stocks have been more volatile than other securities, especially, over short term periods of time. Growth stocks may also be more expensive, relative to their earnings, than the market in general. As such, growth stocks can experience greater volatility in reaction to changes in earnings growth.

Liquidity risk

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of the Underlying Funds to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of the Underlying Funds to meet a redemption request, due to the inability of the Underlying Funds to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the Underlying Funds's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities.

Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the Underlying Funds and, as noted, on the ability of the Underlying Funds to meet redemption requests in a timely manner. Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Underlying Funds values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Underlying Funds's ability to sell particular securities when necessary to meet the Underlying Funds's liquidity needs or in response to a specific economic event.

Market risk

The market values of securities owned by the Underlying Funds will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of a security may go up or down due to general market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer or a particular industry or sector, such as changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that securities held by the Underlying Funds will participate in or otherwise benefit from the advance. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Underlying Funds.

Single Country risk

The Underlying Funds which essentially invest or have exposure in only one country will have greater exposure to market, political, legal, economic and social risks of that country than the Underlying Funds which diversifies country risk across a number of countries. There is a risk that a particular country may impose foreign exchange and/or conversion controls or regulate

in such a way as to disrupt the way the markets in that country operate. The consequences of these actions, and others such as confiscation of assets could be to hinder the normal operation of such Underlying Funds with regard to the purchase and sale of investments and possibly the ability to meet redemptions.

Dealing in such Underlying Funds may be suspended and investors may not be able to acquire or redeem units in the Underlying Funds. Investment in a single country may result in reduced liquidity, greater financial risk, higher volatility and limited diversification, which may have significant impact on the ability of the Underlying Funds to purchase or sell investment and possibly the ability to meet redemption requests in a timely manner. In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere.

Smaller and Midsize Companies risk

While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller and midsize company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller and midsize companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller and midsize companies to changing economic conditions.

In addition, smaller and midsize companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating-rate. These risks are typically increased for securities issued by smaller companies registered or performing a significant part of their activities in developing countries and Emerging Markets, especially as the liquidity of securities issued by companies in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

Investment Funds risk

The Underlying Funds' performance are directly impacted by the performance of any Investment Funds held by it. The ability of the Underlying Funds to achieve its investment goal is directly related to, in part, the ability of the Investment Funds to meet their investment goal. Investing in other Investment Funds may be more costly to the Underlying Funds than if the Underlying Funds had invested in the underlying securities directly. Shareholders of the Underlying Funds will indirectly bear the fees and expenses (including management and advisory fees and other expenses) of the underlying Investment Funds. As the Underlying Funds' allocations among the Investment Funds change from time to time, or to the extent that the expense ratios of the underlying funds change, the expenses borne by the Fund may increase or decrease. In addition, the determination of Net Asset Value of the Shares of any particular Investment Fund held by the Underlying Funds may be suspended under certain conditions as indicated in Appendix D ("Suspension of Calculation of Net Asset Value"). In the event this were to happen, it could impede the ability of the Underlying Funds to meet a redemption request. An Underlying Fund's investments in Investment Funds may subject the Underlying Funds to additional risks than if the Underlying Funds would have invested directly in the Investment Funds' underlying securities. These risks include the possibility that an unregistered fund or an ETF may experience a lack of liquidity that can result in greater volatility than its underlying securities. In addition, an ETF may trade at a premium or discount to its net asset value, as shares of an ETF are bought and sold based on exchanges on market values and not at the ETF's net asset value. Another risk of investing in Investment Funds is the possibility that one Investment Fund may buy the same securities that another Investment Fund sells. If this happens, an investor in the affected Underlying Funds would indirectly bear the costs of these transactions without accomplishing the intended investment purpose.

Fees and Charges

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Funds. The ILP sub-funds invest in Class A (Accumulation) shares. The Annual Management Charges (AMC) of the Underlying Funds are:

Fund Name	AMC¹
FTIF – Franklin Biotechnology Discovery Fund	1.50%
FTIF – Franklin European Small-Mid Cap Growth Fund	1.50%
FTIF – Franklin Mutual U.S. Value Fund	1.50%
FTIF – Franklin Strategic Income Fund	1.25%
FTIF – Templeton Asian Growth Fund	1.85%

FTIF – Templeton European Fund	1.50%
FTIF – Templeton Global Fund	1.50%
FTIF – Templeton Global Income Fund	1.35%
FTIF – Templeton Latin America Fund	1.90%
FTIF – Templeton Global Total Return Fund	1.05%

¹ Please note that the AMC stated above includes the maintenance charge, which is 0.30% for FTIF – Templeton Global Total Return Fund and 0.50% for all other funds above.

Past Performance² : as at 31 October 2018

NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

Cumulative Performance

Funds / Benchmark	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception*
FTIF – Franklin Biotechnology Discovery Fund / <i>NASDAQ Biotech Index</i>	-6.27%	-8.92%	37.31%	268.02%	190.00%
	-0.44%	-3.95%	53.10%	351.82%	207.49%
FTIF – Franklin European Small-Mid Cap Growth Fund <i>MSCI Europe Small-Mid Cap Index</i>	-7.55%	0.59%	24.65%	198.42%	275.71%
	-6.30%	10.76%	45.73%	206.60%	224.21%
FTIF – Franklin Mutual U.S. Value Fund / <i>S&P 500 Index</i>	-1.10%	14.60%	25.19%	121.54%	235.75%
	7.35%	38.70%	71.11%	246.68%	343.45%
FTIF – Franklin Strategic Income Fund / <i>Barclays Capital U.S. Aggregate Index</i>	-1.50%	5.97%	4.35%	69.48%	51.26%
	-2.05%	3.15%	9.51%	47.14%	532.65%
FTIF – Templeton Asian Growth Fund / <i>MSCI All Country Asia ex Japan Index</i>	-18.69%	16.24%	-8.89%	138.08%	398.70%
	-13.38%	21.12%	19.43%	171.16%	364.80%
FTIF – Templeton Global Fund / <i>MSCI All Country World Index</i>	-4.97%	7.28%	7.11%	97.11%	105.79%
	0.00%	27.13%	38.40%	167.48%	178.24%
FTIF – Templeton Global Income Fund / <i>50% MSCI AC World/50% Barclays Capital Multiverse Index</i>	-3.47%	8.47%	6.39%	95.85%	97.55%
	-1.52%	18.73%	20.53%	103.52%	101.41%
FTIF – Templeton Global Total Return Fund <i>Barclays Capital Multiverse Index</i>	-1.49%	7.94%	4.04%	105.29%	201.46%
	-2.05%	5.59%	2.58%	40.28%	77.86%
FTIF – Templeton Latin America Fund / <i>MSCI EM Latin America Index</i>	-7.24%	33.84%	-21.59%	38.55%	316.26%
	-2.09%	44.67%	-10.55%	66.11%	399.77%

Annualised Performance

Funds / Benchmark	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception*
FTIF – Franklin Biotechnology Discovery Fund / <i>NASDAQ Biotech Index</i>	-6.27%	-3.07%	6.55%	13.92%	5.90%
	-0.44%	-1.33%	8.89%	16.28%	6.23%
FTIF – Franklin European Small-Mid Cap Growth Fund <i>MSCI Europe Small-Mid Cap Index</i>	-7.55%	0.20%	4.51%	11.55%	8.14%
	-6.30%	3.46%	7.82%	11.86%	7.20%

FTIF – Franklin Mutual U.S. Value Fund / <i>S&P 500 Index</i>	-1.10%	4.65%	4.60%	8.28%	5.85%
	7.35%	11.52%	11.34%	13.24%	7.24%
FTIF – Franklin Strategic Income Fund / <i>Barclays Capital U.S. Aggregate Index</i>	-1.50%	1.95%	0.86%	5.42%	3.73%
	-2.05%	1.04%	2.03%	3.67%	3.84%
FTIF – Templeton Asian Growth Fund / <i>MSCI All Country Asia ex Japan Index</i>	-18.69%	5.14%	-1.84%	9.06%	9.64%
	-13.38%	6.59%	3.62%	10.49%	9.20%
FTIF – Templeton Global Fund / <i>MSCI All Country World Index</i>	-4.97%	2.37%	1.38%	7.02%	4.22%
	0.00%	8.33%	6.72%	10.34%	6.03%
FTIF – Templeton Global Income Fund / <i>50% MSCI AC World/50% Barclays Capital Multiverse Index</i>	-3.47%	2.75%	1.25%	6.95%	5.17%
	-1.52%	5.89%	3.81%	7.37%	5.32%
FTIF – Templeton Global Total Return Fund <i>Barclays Capital Multiverse Index</i>	-1.49%	2.58%	0.80%	7.46%	7.54%
	-2.05%	1.83%	0.51%	3.44%	3.87%
FTIF – Templeton Latin America Fund / <i>MSCI EM Latin America Index</i>	-7.24%	10.20%	-4.75%	3.32%	8.51%
	-2.09%	13.10%	-2.20%	5.21%	9.65%

Source: Franklin Templeton Investments

* FTIF – Franklin Biotechnology Discovery Fund	: Incepted on 3 April 2000
FTIF – Franklin European Small-Mid Cap Growth Fund	: Incepted on 3 December 2001
FTIF – Franklin Mutual U.S. Value Fund	: Incepted on 7 July 1997
FTIF – Franklin Strategic Income Fund	: Incepted on 12 July 2007
FTIF – Templeton Asian Growth Fund	: Incepted on 14 May 2001
FTIF – Templeton European Fund	: Incepted on 3 December 2001
FTIF – Templeton Global Fund	: Incepted on 14 May 2001
FTIF – Templeton Global Income Fund	: Incepted on 25 May 2005
FTIF – Templeton Latin America Fund	: Incepted on 14 May 2001
FTIF – Templeton Global Total Return Fund	: Incepted on 29 August 2003

² Performance shown in fund currency and calculated before sales charges are deducted. Fees and charges payable through deduction of premium or cancellation of units are excluded in deriving the performance. Performance is calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

Expense Ratio and Turnover Ratio

Funds	Expense Ratio	Turnover Ratio
FTIF – Franklin Biotechnology Discovery Fund	1.82%	3.72%
FTIF – Franklin European Small-Mid Cap Growth Fund	1.83%	28.16%
FTIF – Franklin Mutual U.S. Value Fund	1.83%	22.44%
FTIF – Franklin Strategic Income Fund	1.32%	221.01%
FTIF – Templeton Asian Growth Fund	2.21%	59.50%
FTIF – Templeton Global Fund	1.83%	49.12%
FTIF – Templeton Global Income Fund	1.69%	60.68%
FTIF – Templeton Latin America Fund	2.26%	24.01%
FTIF – Templeton Global Total Return Fund	1.42%	11.76%

The expense ratios stated in the table above are for the year ending 31 October 2018.

The turnover ratios stated in the table above are audited figures for the year ending 30 June 2018.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore guidelines on the disclosure of expense ratios. It does not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, foreign exchange gains /losses, front or back-end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. It is calculated by dividing expenses by daily average NAV, and multiplied by the appropriate factor to annualise the figure and is disclosed as a percentage.

The turnover ratio is calculated based on the lower of purchases and sales expressed as a percentage of the daily average net asset value.

Soft Dollar Commissions or Arrangements

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for FTIF may be directed by the Management Company and/or the Investment Managers to brokers/dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such brokers/dealers. The receipt of investment research and information and related services permits the Management Company and/or the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Management Company and/or the Investment Managers.

The Management Company and/or the Investment Managers may enter, with brokers/dealers that are entities and not individuals, into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Management Company and/or the Investment Managers, including FTIF, and where the Management Company and/or the Investment Managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of FTIF. Any such arrangement must be made by the Management Company and/or the Investment Managers on terms commensurate with best market practice. The use of soft commissions shall be disclosed in the periodic reports.

Conflicts of Interest

The Management Company and/or the Investment Managers may hold shares in the Underlying Funds for their own account. In the event of any conflict of interest arising as a result of such dealing, the Management Company and/or the Investment Managers will resolve such conflict in a just and equitable manner as they deem fit. There may be instances where purchase or sale orders, or both, are placed simultaneously on behalf of two or more funds/accounts managed by the Management Company and/or an Investment Manager. Orders for such securities may be aggregated for execution in accordance with established procedures. Generally, for each account, such batched transactions are averaged as to price and allocated as to amount in accordance with daily purchase or sale orders actually placed for such fund/account. Allocations are made among several accounts in a manner deemed equitable to all by the Management Company and/or the Investment Manager, taking into account the respective sizes of the accounts and the amount of securities to be purchased or sold. Orders are aggregated whenever possible to facilitate best execution, as well as for the purpose of negotiating more favourable brokerage commissions beneficial to all accounts. Alternatively, trades may be placed according to an alternating sequence or rotation system in order to seek equitable treatment of Funds/accounts seeking to buy or sell the same securities.

Reports

The financial year-end of the ILP Sub-Funds is 30 June. Aviva Ltd will make available semi-annual report and annual audited report of the ILP Sub-Funds within 2 months and 3 months respectively from the relevant reporting periods.

In addition, Aviva Ltd will make available financial reports of the Underlying Funds as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website at www.aviva.com.sg.



Specialised ILP Sub-Funds

The ILP Sub-Funds are not specialised sub-funds as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.