

## **Allianz Global Investors Fund - Oriental Income Fund (the “ILP Sub-Fund”)**

**This Fund Summary should be read in conjunction with the Product Summary**

### **Structure of ILP Sub-Fund**

The ILP Sub-Fund is a feeder fund investing all or substantially all of its assets in the underlying Luxembourg-registered Allianz Global Investors Fund - Oriental Income Fund (the “Underlying Fund”). The Underlying Fund is a sub-fund of Allianz Global Investors Fund, which is constituted as an open ended investment company in Luxembourg. It is regulated by Commission de Surveillance du Secteur Financier (“CSSF”) in Luxembourg.

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

### **Information on the Manager**

Allianz Global Investors (“AllianzGI”) is a diversified active investment manager, managing EUR 481 billion in assets for individuals, families and institutions worldwide<sup>1</sup>. AllianzGI has created a business that enables it to meet the demands of clients on a local basis and that empowers investment managers to focus on achieving strong and consistent investment results. With 25 locations in 18 countries, AllianzGI is well-positioned to deliver key local insights to clients wherever they are.

AllianzGI has over 550 investment professionals – including portfolio managers averaging more than a decade of experience with the firm.

### **Other Parties**

There are no other parties who advise the Investment Manager in the management of the ILP sub-fund.

### **Investment Objective, Focus & Approach**

The investment objective of the Underlying Fund is geared towards capital growth in the long term by investing the Underlying Fund’s assets on equity and fixed income markets of the Asia Pacific region.

At least 50% of the Underlying Fund assets are invested in equities, as well as warrants to subscribe for Equities. Out of the equity portion of the Underlying Fund, at least 80% are invested in the equities of companies which are incorporated in an Asian country, in New Zealand or in Australia. Russia and Turkey are not considered to be Asian countries. The Underlying Fund may also invest in interest-bearing securities, deposits and money-market instruments.

The investment objective, focus and approach of the Underlying Fund are described in the section on “Investment Objectives and Policies” in the Allianz Global Investors Fund Singapore Prospectus. Investors are also directed to review the full investment objective and policy of the Underlying Fund as set out under the headings “Investment Objective” and “Investment Principles” in the information sheet under “Part 4: Sub-Funds” of the Allianz Global Investors Fund Luxembourg Prospectus.

### **Risks**

In addition to the risks stated in the Product Summary, the following are risks specific to the Underlying Fund:

#### **Exchange rate risks**

An investment in the Shares of the Underlying Fund may entail exchange rate risks. If the Underlying Fund directly or indirectly holds assets denominated in foreign currencies, it is exposed to a currency risk if foreign currency positions have not been hedged. Any devaluation of the foreign currency against the base currency of the Underlying Fund would cause the value of the assets denominated in the foreign currency to fall.

#### **Derivatives risks**

Where the Underlying Fund invests in derivatives, you should note in particular the following key risks: (i) the derivatives may be misvalued or may have varying valuations; (ii) the use of derivatives may not completely hedge the risk intended to be hedged; (iii) derivative may become difficult to purchase or sell. In such cases, the Underlying Fund may not be able to initiate a

transaction or liquidate a position at an advantageous time or price; (iv) particularly for unlisted derivatives, there is also a risk that the counterparty may default or be unable to completely fulfil its obligations; (v) given the leverage effect embedded in derivatives, even a small investment in derivatives could have a substantial, even negative, effect on the performance of the Underlying Fund and the entire value of your investment in that Underlying Fund may be lost; and (vi) the use of derivatives may have the effect of eliminating the Underlying Fund's participation in any positive performance of the hedged asset.

#### **High Yield Investments risks**

High-Yield Investments means Interest-bearing investments that are either rated noninvestment grade by a recognised rating agency or are not rated at all, but that would presumably receive a rating of non-investment grade if they were rated. Such investments are subject to the same general risks of this investment class, but the level of risk is greater.

#### **Company-Specific Risk**

The value of the assets in particular of securities and money market instruments directly or indirectly held by the Underlying Fund may be affected by company-specific factors, such as the issuer's business situation. If a company-specific factor deteriorates, the price of the respective asset may drop significantly and for an extended period of time, possibly even without regard to an otherwise generally positive market trend.

#### **Concentration Risk**

If the Underlying Fund focuses its investments on certain markets or types of investment, by definition this concentration does not allow the same scope of diversification of risks across different markets as would be possible if investments were not as concentrated. Consequently, the Underlying Fund is particularly dependent on the development of these investments or of individual or related markets or of companies included in those markets.

#### **Counterparty Risk**

To the extent that transactions are not handled through a stock exchange or a Regulated Market (e.g. OTC trades), there is a risk that a counterparty may default or not completely fulfil its obligations in addition to the general risk of settlement default. This is particularly true of OTC financial derivative instruments and other transactions based on techniques and instruments.

#### **Country and Region Risk**

If the Underlying Fund focuses its investments on particular countries or regions, this may reduce risk diversification. Consequently, the Underlying Fund is particularly dependent on the development of individual or interdependent countries and regions, or of companies based and/or operating in those countries or regions.

#### **Country and Transfer Risks**

Economic or political instability in countries in which the Underlying Fund is invested may lead to a situation in which the Underlying Fund does not receive part or all of the monies owed to it in spite of the solvency of the issuer of the respective security or other assets. Currency or transfer restrictions or other legal changes, for example, may be significant in this regard.

#### **Creditworthiness Risk**

The creditworthiness (solvency and willingness to pay) of the issuer of an asset in particular of a security or money-market instrument directly or indirectly held by the Underlying Fund may subsequently fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations.

#### **Currency Risk**

If the Underlying Fund directly or indirectly holds assets denominated in foreign currencies, it is exposed to a currency risk if foreign currency positions have not been hedged. Any devaluation of the foreign currency against the Base Currency of the Underlying Fund would cause the value of the assets denominated in the foreign currency to fall.

#### **Custodian Risk**

Custodial risk is the risk arising from the possibility that the Underlying Fund could be denied access, in whole or in part, to investments held in custody in the event of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the custodian or sub-custodian.

#### **Emerging Markets Risks**

Investing in Emerging Markets means investing in countries not classified by the World Bank as "high gross national income per capita" (i.e. not "developed"). In addition to the specific risks of the particular investment class, investments in these countries are subject to greater liquidity risk and general market risk. Additionally, increased risks may arise in connection with the settlement

of transactions in securities in these countries, especially as it may not be general practice or may not even be possible to deliver securities directly when payment is made in such countries. In addition, the legal and regulatory environment, as well as the accounting, auditing and reporting standards there may deviate substantially to the detriment of the investors from the levels and standards that are considered standard international practice. Increased custodial risk in such countries may also arise, which may, in particular, also result from differing disposal methods for acquired assets.

### General Market Risk

To the extent that the Underlying Fund invests directly or indirectly in securities or other assets, it is exposed to various general trends and tendencies in the markets, especially in the securities markets, which are partially attributable to irrational factors. Such factors could lead to substantial and longer-lasting drops in prices affecting the entire market. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

### Industry Risk

If the Underlying Fund focuses its investments on certain industries, this may reduce risk diversification. Consequently, the Underlying Fund is particularly dependent both on the general development and the development of corporate profits of individual industries or industries that influence each other.

### Inflation Risk

Inflation risk is the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of income made on an investment in the Underlying Fund as well as the intrinsic value of the investment. Different currencies are subject to different levels of inflation risk.

### 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 Fund.

<b>Fees Payable by the Allianz Global Investors Fund - Oriental Income Fund, which the ILP sub-fund invests into</b>	
Annual all-in fee*	1.80%
Annual management fee	1.50%
Administration fee plus Tax	Up to 0.50% of the NAV per annum

\* The All-in-Fee includes the expenses previously called management and administration fees.

### Past Performance<sup>3</sup> and Benchmark of the Underlying Fund: as at 30 November 2016

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

### Cumulative Performance and Benchmark of the Underlying Fund

<b>Underlying Fund / Benchmark</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception*</b>
Allianz Global Investors Fund - Oriental Income Fund /	3.39%	11.09%	43.84%	N/A	34.20%
<i>MSCI AC Asia Pacific</i>	7.26%	17.32%	51.27%	N/A	42.79%

### Annualised Performance and Benchmark of the Underlying Fund

<b>Underlying Fund / Benchmark</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception*</b>
Allianz Global Investors Fund - Oriental Income Fund /	3.39%	3.57%	7.54%	N/A	4.11%
<i>MSCI AC Asia Pacific</i>	7.26%	5.47%	8.63%	N/A	5.00%

Source: IDS GmbH/AllianzGI

\* Allianz Global Investors Fund - Oriental Income Fund AT SGD

: Incepted on 11 August 2009

<sup>3</sup> *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 of the Underlying Fund**

<b>Underlying Fund</b>	<b>Expense Ratio</b>	<b>Turnover Ratio</b>
Allianz Global Investors Fund - Oriental Income Fund	1.85%	23.37%

The expense and turnover ratios stated in the table above are for the period as at 30 September 2016.

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**

Subject to best execution and the requirements stated below, brokerage commissions on portfolio transactions for the Company may be paid by the Management Company and/or the Investment Managers, as the case may be, as consideration for research related services provided to them as well as for services rendered in the execution of orders. The receipt of investment research and information and related services allows the Management Company and/or the Investment Managers, as the case may be, 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 soft commissions do not include costs relating to travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are to be paid by the Management Company and/or the Investment Managers, as the case may be.

The Company may pay, or be responsible for the payment of, such soft commissions only insofar as:

- a) the Management Company and/or the Investment Managers, as the case may be, act at all times in the best interest of the Company and the Shareholders when entering into soft commission arrangements;
- b) the goods and/or services provided by the broker-dealers relate directly to the activities of the Management Company and/or the Investment Managers, as the case may be, and such activities are of demonstrable benefits to the Shareholders; and
- c) any such soft commission is paid by the Management Company and/or the Investment Managers, as the case may be, to broker-dealers which are corporate entities and not individuals.

The Management Company and/or the Investment Managers, as the case may be, may enter into commission sharing arrangements only where there is demonstrable benefit to the Company and where the Management Company and/or the Investment Managers, as the case may be, are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and are in the best interests of the Company and the Shareholders.

Any such arrangements must be made by the Management Company and/or the Investment Managers, as the case may be, on terms commensurate with best market practice and brokerage rates should not be in excess of customary institutional full-service brokerage rates. Subject to their local regulatory rights, the Management Company and/or the Investment Managers, as the case may be, may make use of soft commissions to pay for research and/or other goods and services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

Periodic disclosure in the form of a statement describing such soft dollar practices will be made in the Company's annual report.

Sales commissions and trail commissions may be paid to sales partners and, in compliance with Luxembourg law, reimbursements may be granted to investors from the management and central administration agent fee as well as the performance-related fee of the Management Company.

### **Conflicts of Interest**

The Management Company, the Investment Managers and the Sub-Investment Managers may from time to time have to deal with competing or conflicting interests of other funds managed by the Management Company, the Investment Managers and the Sub-Investment Managers (the "other funds").

For example, the Management Company, an Investment Manager or a Sub-Investment Manager may make a purchase or sale decision on behalf of their other funds without making the same decision on behalf of the Underlying Fund, as a decision whether or not to make the same investment or sale for the Underlying Fund depends on factors such as the cash availability and portfolio balance of the Underlying Fund.

However, the Management Company, the Investment Managers and the Sub-Investment Managers will use their reasonable endeavours at all times to act fairly and in the interests of the Underlying Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds and the Underlying Fund, the Management Company, the Investment Managers and the Sub-Investment Managers (as the case may be) will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible between the other funds and the Underlying Fund.

The Management Company, the Investment Managers, the Sub-Investment Managers and the Custodian will conduct all transactions with or for the Underlying Fund on an arm's length basis.

The Management Company, the Investment Managers, the Sub-Investment Managers or the Custodian or their respective affiliates (together the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Underlying Fund. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement. In the event a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the shareholders of the Underlying Fund.

The Management Company, the Investment Managers, the Sub-Investment Managers or the Custodian may own, hold, dispose or otherwise deal with the Shares in their own capacity. In the event of any conflict of interest arising as a result of such dealing, the Management Company, the Investment Managers, the Sub-Investment Managers and the Custodian, following consultation with the other, will resolve such conflict in a just and equitable manner as they deem fit.

### **Reports**

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

In addition, Aviva Ltd will make available financial reports of the Underlying Fund as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website [www.aviva.com.sg](http://www.aviva.com.sg).

### **Specialised ILP Sub-Fund**

The ILP sub-fund is not a specialised sub-fund as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.