



Product Summary for AIA Smart Wealth Builder (II) (10-pay)

Ver. 6.0

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 Wealth Builder (II) is a participating endowment plan designed to help you maximize your savings. You may either pay as Single Premium, or choose to pay premiums over 5, 10, 15 or 20 years.

The minimum premium for respective premium payment options are at least:

Premium Payment Options	Minimum Premium
Single Premium	\$20,000 Cash \$15,000 SRS
5 years	\$4,800
10 years	\$3,600
15 years	\$2,400
20 years	\$1,500

Your policy will continue to accumulate until it matures on the policy anniversary on or after the Insured turns 125 years old.

This is a participating life insurance plan that allows you 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 Wealth Builder (II) provides you with the following benefits:

a. Death Benefit

- In the event of death of the Insured, we will pay the death benefit being equal to the higher of the following:
- (a) 105% of the total premiums paid and/or waived (if any) on your basic policy based on the applicable Insured Amount (including any premium adjustment for premium payment mode); or
 - (b) (i) 101% of the guaranteed cash value and (ii) any bonuses added to your basic policy which you have not surrendered,

after deducting any and all amounts owing to us under your policy.

If a secondary Insured was appointed before the death of the Insured, death benefit will not be paid on the death of the Insured. Please refer to section 3 (d) for more information on Secondary Insured Option.

Your policy will automatically terminate after we have paid the death benefit.



b. Total & Permanent Disability (TPD) Benefit

In the event of TPD of the Insured before the policy anniversary occurring on or immediately following the Insured's 70th birthday, we will pay, in one lump sum, the death benefit under this basic policy.

The Diagnosis of the TPD must be confirmed and certified by a Physician (or a Specialist as the case may be).

The TPD Benefit is an accelerated benefit that accelerates the death benefit of the basic policy.

Your policy will automatically terminate once the death benefit is accelerated in full.

Before the policy anniversary occurring on or immediately following the Insured's 65th birthday, TPD means the Insured is not capable of doing or carrying out any work, occupation or profession, to earn or obtain any wages, compensation or profit. Such disability must continue uninterrupted for at least 6 consecutive months and there is no possibility of improvement for an indefinite time. This is not applicable to juvenile.

From the policy anniversary occurring on or immediately following the Insured's 65th birthday, TPD means the Insured is not capable of performing at least 2 of the following 6 Activities of Daily Living even with the aid of special equipment, and always to require the physical assistance of another person throughout the entire activity. Such disability must continue uninterrupted for at least 6 consecutive months and there is no possibility of improvement for an indefinite time.

Activities of Daily Living are:

- (a) Transferring: the ability to move from a bed to an upright chair or wheelchair and vice versa
- (b) Mobility: the ability to move indoors from room to room on level surfaces
- (c) Toileting: the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene
- (d) Dressing: the ability to put on, take off, secure and unfasten all garments and as appropriate, any braces, artificial limbs or other surgical appliances
- (e) Washing: the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by any other means
- (f) Feeding: the ability to feed oneself once food has been prepared and made available.

However, any of the following conditions* will be immediately recognised as TPD (applicable to juvenile as well):

- (i) total and irrecoverable loss of sight of both eyes; or
- (ii) loss by complete severance or the total and irrecoverable loss of use of 2 limbs at or above the wrist or ankle; or
- (iii) total and irrecoverable loss of sight of 1 eye; and
 - a. loss by complete severance of 1 limb at or above the wrist or at or above the ankle; or
 - b. total and irrecoverable loss of use of 1 limb at or above the wrist or at or above the ankle.

**If the Insured is a juvenile, we will only admit these conditions as TPD.*

An Insured will be considered a juvenile until such time he:

- (a) reaches the age of 16 and he is gainfully employed or self-employed; or
 - (b) attains the age of 21,
- whichever is earlier.

c. Terminal Illness Benefit

If the Insured is diagnosed with a Terminal Illness while the basic policy is in force, we will pay the death benefit of this basic policy.

Terminal illness means "any condition caused by illness or injury, where at the time of claim, despite all reasonable medical treatment, the Insured is expected to live for no more than 12 months."

The specialist medical practitioner treating the condition must provide supporting evidence of the condition, possible medical treatment, the prognosis after undergoing the possible medical treatment, and certify that the Insured is expected to live for no more than 12 months despite all possible medical intervention. We reserve the right to appoint an independent medical specialist who is an expert in the condition to confirm the diagnosis and prognosis.



Terminal illness in the presence of HIV infection is excluded.

This Terminal Illness Benefit accelerates the payment of the death benefit under the basic policy.

d. Secondary Insured Option

During the term of the policy, a Secondary Insured can be appointed to ensure the continuity of the policy upon death of the Insured.

When can appointment of Secondary Insured be made?

Policyholder/assignee can appoint, at the point of policy application or during the policy term, while the Insured is alive. Any application to change the Secondary Insured will supersede any existing appointment of Secondary Insured that was submitted to us previously.

Who can be the Secondary Insured?

The policyholder/assignee or the policyholder/assignee's spouse or child (who is below age 16). At the point of appointment, the Secondary Insured cannot exceed age 60.

Secondary Insured cannot be appointed if:

- the policy already has a nomination of beneficiary; or
- a trust is created under this policy; or
- the policyholder/assignee or Insured is not alive

If you wish to make a nomination of beneficiary or create a trust under this policy, you must first revoke the appointment of the Secondary Insured.

What happens in the event of death of the Insured, and a Secondary Insured has been appointed beforehand?

The Secondary Insured will become* the new Insured of the basic policy and the policy continues. We will only pay the death benefit on the death of the new Insured.

In the event of death of the Insured and when the Secondary Insured becomes the new Insured:

- (a) the maturity date of the basic policy remains unchanged;
- (b) any optional riders that is attached will be terminated; and
- (c) any premium payments shall continue to be payable.

If any premium waiver benefit has been activated, premium will continue to be waived.

**this is conditional upon satisfaction of our customer due diligence check and prevailing rules and guidelines. In the event that we are unable to accept the Secondary Insured as the new Insured, claims proceed will be paid out and the policy will terminate.*

e. Maturity Benefit

If the Insured is alive on the maturity date while your policy is in force, we will pay you:

- (a) the guaranteed cash value; and
- (b) any bonuses added to your basic policy which you have not surrendered

after deducting any and all amounts owing to us.

Your policy will automatically terminate on the maturity date.

f. Surrender Value

You may choose to either fully or partially surrender your policy for its cash value. For partial surrender of the policy, the Insured Amount will be reduced accordingly and subject to our terms and conditions. Future premiums payable (if any), and benefits will be adjusted based on the reduced Insured Amount. Your policy will automatically terminate once it is surrendered in full.



Bonuses

You can receive bonuses in the form of Reversionary Bonus (RB) and Terminal Bonus (TB).

a. Reversionary Bonus

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

Policy Year	RB Rate (per annum)
Yearly, starting from end of 3 rd Policy Year	\$6 per \$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.

The 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.

The 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.

b. Terminal Bonus

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

At an Illustrated Investment Rate of Return of 4.25% per annum, the TB scale is illustrated to be as follows:

End of Policy Year	TB as a % of accumulated RB on Claim / Maturity	TB as a % of surrender value of accumulated RB on Surrender
3 to 9	120% to 120%	120% to 120%
10 to 20	120% to 359%	120% to 359%
21 to 30	366% to 411%	366% to 411%
31 to 40	417% to 484%	417% to 484%
41 to 50	491% to 559%	491% to 559%
51 and above	More than 567%	More than 567%

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

Please refer to the Policy Illustration for the bonuses (including annual and terminal bonuses) amount at the illustrated Investment Rate of Return of 4.25% per annum and 3.00% 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 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 (regardless of sanity) within 1 year from the policy issue date or reinstatement date, whichever is later or otherwise specified, our liability shall be limited to the refund of premiums paid without interest.

TPD Benefit

Any disability caused directly or indirectly, wholly or partly, by any of the following occurrences:

- (a) deliberate acts that endanger oneself, whether sane or insane, including any of the following:
 - (i) violation or attempted violation of the law or resistance to arrest; or
 - (ii) suicide or attempted suicide, intentional self-injury, or exposure to exceptional danger (except in an attempt to save human life);
- (b) engaging or taking part in air, military or naval service in time of declared or undeclared war or while under order for warlike operations or restoration of public order; or
- (c) entering, operating, or servicing, riding in or on, ascending or descending from or with any aerial device or conveyance (except where the Insured is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route or by the Republic of Singapore Air Force).

Terminal Illness Benefit

Terminal Illness caused directly or indirectly, wholly or partially, by any of the following occurrences:

- (a) any Terminal Illness, the symptoms of which first occurred prior to the issue date or reinstatement date of your basic policy, or for which the Diagnosis of Terminal Illness was made within 30 days following the issue date or reinstatement date of your basic policy; or
- (b) where, in our opinion, the Terminal Illness was directly or indirectly due to Acquired Immunodeficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV).

For the purpose of your basic policy:

- (i) the definition of AIDS shall be that used by the World Health Organisation in 1987, or any subsequent revision by the World Health Organisation of such definition; and
 - (ii) infection shall be deemed to have occurred where blood or other relevant tests indicate, in our opinion, either the presence of any HIV or antibodies to HIV; or
- (c) any and all pre-existing illnesses, diseases, impairments or conditions from which the Insured was suffering prior to the issue date or reinstatement date of your basic policy, whichever is later, unless a declaration was made in the application for, or reinstatement of, your basic policy, and such application was specifically accepted by us.

You are advised to read the policy contract for the full list of exclusions.



5. Investment of Assets

The premiums of the participating policies in the participating fund are invested in a range of assets that reflect the following 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	62%	63%
Risky Assets*	38%	37%
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	-9.3%	5.8%	7.1%	0.9%	2.7%	3.9%

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, dividends 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 2 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.

The TBs declared over the past 2 years are consistent with the TB illustrated at the Illustrated Investment Rate of Return of 4.25% per annum as shown in the Policy Illustration.

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 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.