

TREASURE MASTER PLUS



Treasure Master Plus Product Brochure

Product Brochure

The product key facts statement, this product brochure and the investment options brochure are construed as the offering documents of **Treasure Master Plus** and should be issued and read in conjunction with each other.

Unless defined otherwise, those capitalised terms shall have the same meanings ascribed to them in the section “**F) Glossary**”.

Important information:

- 1) **Treasure Master Plus is an investment-linked assurance scheme (“ILAS policy”), which is an insurance policy issued by AIA International Limited (Incorporated in Bermuda with limited liability) (“AIA”).**
- 2) **It is not a bank savings product. Your investments are subject to the credit risks of AIA and other investment risks.** Although your ILAS policy is a life insurance policy, because your death benefit is linked to the performance of the underlying funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your premiums paid and may not be sufficient for your individual needs.
- 3) **What you are investing in is an ILAS policy. The premiums paid by you towards the ILAS policy, and any investments made by AIA in the underlying funds you selected, will become and remain part of the assets of AIA. You do not have any rights or ownership over any of those assets. Your recourse is against AIA only.**
- 4) The premiums received from you will be invested by AIA into the underlying funds corresponding to the Investment Options as selected by you for our asset liability management. However, the Unit(s) allocated to your Account is notional and is solely for the purpose of determining the Account Value and benefits under your Basic Policy.
- 5) **Your potential return on investments is calculated by AIA with reference to the fluctuation of the performance of the underlying funds. Besides, your potential return shall be subject to ongoing fees and charges which will continue to be deducted from the ILAS policy, hence, it may be lower than the return of the corresponding underlying funds.** Each of the underlying funds has its own investment profile and associated risks. Underlying funds available for selection are listed in the investment options brochure. These underlying funds are authorised by the SFC pursuant to the Code on Unit Trusts and Mutual Funds.
- 6) **The Investment Options available under the ILAS policy can have very different features and risk profiles. Some may be of high risk.**

- 7) **Early termination, surrender or withdrawal of the Account Value of the ILAS policy may result in significant loss of your investment and premiums paid as well as bonuses awarded (if applicable). Poor performance of the underlying funds may further magnify your investment losses while all charges are still deductible.**
- 8) You should not purchase this ILAS policy unless you understand it and your financial planner has explained to you how it is suitable for you. The final decision is yours.
- 9) Investments involve risks. You should read the offering documents of **Treasure Master Plus** and the underlying funds which can be obtained from your financial planner or downloaded from our website at aia.com.hk. Alternatively, you can visit our Company's Wealth Select Centre or agency office to obtain a copy which will be provided to you within 14 days upon your request.

Important Notes:

Treasure Master Plus is classified as Class C, linked long-term business, as defined in Part 2 of the First Schedule to the Insurance Companies Ordinance.

This product brochure is not a contract of insurance. Please refer to the policy contract for the terms and conditions governing **Treasure Master Plus**.

AIA WEALTH SELECT CENTRE

12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong

Opening hours:

Monday – Friday

8:45 a.m. – 6:00 p.m. (open through lunch)

Saturday, Sunday and Public Holidays closed

For further enquiries or obtaining a copy of a specimen of **Treasure Master Plus** policy, please contact your financial planner, call the AIA Customer Hotline at 2232 8888 or visit the AIA Wealth Select Centre. The specimen is free of charge upon request.

aia.com.hk

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A) Product features

Treasure Master Plus is a single premium investment-linked assurance scheme with optional Top-up Premium. It is available to applicants between the age of 18 and 70 (inclusive) and life insured between the age of 15 days and 70 (inclusive). During the policy term till the insured is 80, **Treasure Master Plus** provides you with life insurance coverage and access to a range of Investment Options. If you wish to apply, simply submit to us a duly completed application form, the signed illustration document and the required premium contribution. The application form and the illustration document are available from your financial planner.

Base currency

Treasure Master Plus is denominated in US dollars. We may at our discretion accept premium payment in currencies other than US dollars subject to an exchange rate as determined by us in good faith and commercially reasonable manner with reference to the prevailing market exchange rates from time to time. Please refer to aia.com.hk for the prevailing exchange rates.

Premium contribution

You may start your Basic Policy by contributing a minimum Single Premium of US\$15,000. If you want to make further investments after policy issuance, you can contribute Top-up Premiums of at least US\$4,000 each at any time while your Basic Policy is in force. AIA may exercise its discretion to waive these minimum requirements. The Company reserves the right to refund, reject or limit the amount and / or frequency of any payment of premium at any time.

Investment Options allocation

The premium contribution you have made shall be used to notionally allocate Units of your selected Investment Options at the Offer Price normally at the Next Appropriate Valuation Day for determination of the Account Value and benefits under the Basic Policy.

For more information about Investment Options, please refer to the section “**D) Investment Options Information**” of this brochure or the investment options brochure.

Account Value

The Account Value shall be the total value of all Investment Options under the Basic Policy. The value of each Investment Option is determined by multiplying the number of Units of the Investment Option by its Latest Available Bid Price. The Account Value will change from day to day due to fluctuations of the market value of the underlying funds and will be reduced due to partial withdrawals.

Start up bonus

If the amount of the Single Premium (excluding any Top-up Premium) is equal to or greater than US\$15,000, a one-off start up bonus in the form of Units will be credited to your Account upon the issue of the Basic Policy.

$$\text{Start up bonus} = \text{Start up bonus rate} \times \text{Single Premium}$$

The start up bonus rate is 0.1%. The start up bonus rate does not represent the rate of return or performance of your investments.

The amount of the start up bonus will be credited by allocating Units in such Investment Options in accordance with your latest allocation instruction to the Basic Policy. The Units will be credited at the Offer Price on the Next Appropriate Valuation Day upon the issue of the Basic Policy.

Start up bonus awarded will form part of the Account Value and will be subject to the on-going fees and charges stated in the section “**B) Summary of fees and charges**”.

If you cancel the Basic Policy within the cooling-off period, the start up bonus will be forfeited and will not be payable to you. In the event of partial withdrawal or surrender within the first 5 Policy Years, the start up bonus is subject to withdrawal charge. Please refer to “Withdrawal charge” stated in the section “B) Summary of fees and charges”.

Loyalty bonus

Loyalty bonus will be paid at every Monthiversary starting **from the 60th Monthiversary** until the Basic Policy is terminated. The loyalty bonus is calculated as follows:

$$\text{Loyalty bonus} = \text{Average Account Value} \times \text{applicable monthly loyalty bonus rate}$$

Please note that the loyalty bonus rate will be applicable on the Average Account Value regardless of how long each of the Single Premium, the start up bonus and optional Top-up Premium(s) (if any) has been allocated into the Account as at the Monthiversary the loyalty bonus is calculated.

The monthly loyalty bonus rates are set out in the table below.

Average Account Value	Monthly loyalty bonus rate
First US\$20,000	0.2% ÷ 12
Next US\$30,000	0.3% ÷ 12
Next US\$50,000	0.4% ÷ 12
Any amount in excess of US\$100,000	0.5% ÷ 12

The loyalty bonus will be credited to the Account in the form of Units of the Investment Option(s) being held in the Account as at the corresponding Monthiversary by using the Offer Price prevailing at the Next Appropriate Valuation Day. If more than one Investment Option is being held at a Monthiversary under the Account, the amount of the loyalty bonus to be allocated to each of these Investment Options will be in proportion to its respective value at the Latest Available Bid Price. In the event that any of such Investment Option(s) is unavailable for allocation, the loyalty bonus will then be credited by allocating Units of other Investment Options being held in the Account in proportion to their values as at the respective Monthiversary. If there is no other Investment Option(s) under the Account that is available for the crediting of the loyalty bonus, the Company will credit the bonus to an alternative Investment Option of underlying fund investing in either global fixed income or USD money market of which the currency is the same as the base currency of the Basic Policy and the historical risk level is the lowest in AIA’s view as compared with all other Investment Options at our absolute discretion at the Offer Price prevailing as at the appropriate Valuation Day of the relevant Investment Option(s).

Illustrative example - How is the loyalty bonus calculated?

Ms. Lee had been holding a **Treasure Master Plus** policy for 5 years and was entitled to receive a monthly loyalty bonus starting from the 60th Monthiversary according to the monthly loyalty bonus rates shown below:

Average Account Value	Monthly loyalty bonus rate
First US\$20,000	0.2% ÷ 12
Next US\$30,000	0.3% ÷ 12
Next US\$50,000	0.4% ÷ 12
Any amount in excess of US\$100,000	0.5% ÷ 12

Calculation of the loyalty bonus payable at the 60th Monthiversary

Assuming the sum of the Account Values at the 1st to the 60th Monthiversaries was US\$7,200,000, the Average Account Value:

$$= \text{US\$7,200,000} \div 60$$

$$= \text{US\$120,000}$$

Loyalty bonus payable:

$$= (\text{US\$20,000} \times 0.2\% \div 12 + \text{US\$30,000} \times 0.3\% \div 12 + \text{US\$50,000} \times 0.4\% \div 12 + \text{US\$20,000} \times 0.5\% \div 12)$$

$$= \underline{\text{US\$35.83}}$$

Calculation of the loyalty bonus payable at the 61st Monthiversary

Assuming the sum of the Account Values at the 2nd to the 61st Monthiversaries was US\$7,221,000 (inclusive of the loyalty bonus of US\$35.83 stated above), the Average Account Value:

$$= \text{US\$7,221,000} \div 60$$

$$= \text{US\$120,350}$$

Loyalty bonus payable:

$$= (\text{US\$20,000} \times 0.2\% \div 12 + \text{US\$30,000} \times 0.3\% \div 12 + \text{US\$50,000} \times 0.4\% \div 12 + \text{US\$20,350} \times 0.5\% \div 12)$$

$$= \underline{\text{US\$35.98}}$$

The loyalty bonus would continue to be paid at every subsequent Monthiversary while the **Treasure Master Plus** policy was in force.

The above example is hypothetical and for illustrative purposes only.

Partial withdrawal

Please note that if a partial withdrawal is made within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date, and that the withdrawal amount is greater than the Free Partial Withdrawal Amount, the Net Chargeable Amount shall be subject to the withdrawal charge of up to 7.25% with reference to, as the case may be, the Net Single Premium Paid and / or each Net Top-up Premium Paid (if any) and / or up to 100% with reference to the Net Start Up Bonus Credited.

Besides, ongoing fees and charges will continue to apply to the remaining Account Value after the partial withdrawal.

You should also note that due to partial withdrawals the Account Value, and therefore the death benefit payable and amount of loyalty bonus, will be reduced.

With *Treasure Master Plus*, you may withdraw part of your Account Value anytime, subject to withdrawal charges, while your Basic Policy is in force by submitting your request for partial withdrawal in writing using our prescribed form(s) together with the documentations as required for us to comply with any applicable law and relevant regulatory requirements for our approval.

Please specify the number of Units of the Investment Options you want to withdraw from your Account. The partial withdrawal amount is calculated by multiplying such number of Units by the Bid Price of the relevant Investment Options as at the Next Appropriate Valuation Day.

We will not approve a request for partial withdrawal if:

- (a) the amount to be withdrawn is less than the minimum partial withdrawal amount of US\$600; or
- (b) the balance of the Account Value immediately after the partial withdrawal falls below either 1) US\$3,000 or 2) 110% of the withdrawal charge as if you surrendered your Basic Policy.

Once your request is approved, we will cancel the specified Units of Investment Options held in the Account according to your instructions. The cancellation of the specified Units will take place as soon as practicable at the Bid Price of the Investment Options at the Next Appropriate Valuation Day following our approval and we will pay you such value less any applicable withdrawal charge normally within one month after your request together with the required documentations are received by us. However, we reserve the right to defer such payments for a period not exceeding 6 months under exceptional circumstances beyond our control including but not limited to the prohibition on transaction of the corresponding underlying fund due to any regulations or occurrence of war or disaster. No interest will be payable by us for any pending payment of the withdrawal amount.

Treasure Master Plus allows you to partially withdraw certain amount from your Account free of withdrawal charge if your withdrawal amount is less than or equal to the Free Partial Withdrawal Amount. The Free Partial Withdrawal Amount, subject to a minimum of zero, is calculated as follows:

$$\begin{aligned} \text{Free Partial Withdrawal Amount} = & \\ & \text{Account Value of the Basic Policy as a whole} - \\ & \text{(Net Single Premium Paid (if any))} + \\ & \text{Net Start Up Bonus Credited (if any)} + \\ & \text{Net Top-up Premium Paid (if any)} \end{aligned}$$

The Account Value to be used for the calculation of the Free Partial Withdrawal Amount is based on the Bid Price of Investment Option(s) under the Basic Policy prevailing at the Next Appropriate Valuation Day immediately following our approval of your partial withdrawal request. In the event that the resulting Account Value is lower than the Account Value calculated based on the Latest Available Bid Price on the date we approve your partial withdrawal request, we will use the higher Account Value to calculate the Free Partial Withdrawal Amount.

Determination of withdrawal charge upon partial withdrawal

Any partial withdrawal in excess of the Free Partial Withdrawal Amount, i.e. the partial withdrawal amount minus the Free Partial Withdrawal Amount (the “Net Chargeable Amount”), will be subject to a withdrawal charge. The withdrawal charge is determined according to the extent to which the Net Chargeable Amount will hit the respective amounts of the Net Single Premium Paid, the Net Start Up Bonus Credited and the Net Top-up Premium Paid in this sequence and kept by us for your Basic Policy. The amount of withdrawal charge is calculated by multiplying the relevant amounts of the Net Single Premium Paid, the Net Start Up Bonus Credited and the Net Top-up Premium Paid so hit by the relevant withdrawal charge rate.

These withdrawal charge rates vary according to the duration for which these premium or bonus amounts have been contributed or credited into your Basic Policy and shall be up to 7.25% with reference to the Net Single Premium Paid and / or the Net Top-up Premium Paid (if any) and up to 100% with reference to the Net Start Up Bonus Credited. We adopt the above-mentioned first-in-first-out basis in order to ensure that, if multiple premiums have been paid by you at different times, the premium(s) with the lowest withdrawal charge will be incurred for each of your withdrawal requests.

After each partial withdrawal of any Net Chargeable Amount, the amounts of the Net Single Premium Paid, the Net Start Up Bonus Credited and / or the Net Top-up Premium Paid (if any) may be reduced by the relevant deductions. The reduced amounts will subsequently apply to determine the withdrawal charge for next partial withdrawal or surrender in future.

For further details on how withdrawal charge is determined, please refer to the section **“B) Summary of fees and charges”**. You may get a better understanding on how partial withdrawal affects your Basic Policy by making reference to the section **“F) Glossary”** for definitions of Net Single Premium Paid, Net Start Up Bonus Credited and Net Top-up Premium Paid and Example 2 under section **“C) Illustrative examples on fees and charges”**.

Surrender

You may request a surrender of your Basic Policy in writing on our prescribed form(s) together with the documentations as required for us to comply with any applicable law and relevant regulatory requirements for our approval.

Once your request is approved, we will cancel all of the Units held in the Account. The cancellation of Units will take place as soon as practicable at the Bid Price of the relevant Investment Option(s) at the Next Appropriate Valuation Day following our approval of your request for surrender. We will pay you such value less any applicable withdrawal charge up to 7.25% of your Net Single Premium Paid and Net Top-up Premium Paid and 100% of the Net Start Up Bonus Credited, normally within one month after your request together with the required documentations are received by us. However, we reserve the right to defer such payments for a period not exceeding 6 months under exceptional circumstances beyond our control including but not limited to the prohibition on transaction of the corresponding underlying fund due to any regulations or occurrence of war or disaster. No interest will be payable by us for any pending payment of the Surrender Value.

Determination of withdrawal charge upon surrender

Withdrawal charge is applicable in the event of surrender within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date. It will be deducted before we pay any proceeds of surrender to you. The withdrawal charge is calculated as follows:

Withdrawal charge =
Net Single Premium Paid x withdrawal charge rate applicable to Net Single Premium Paid +
Net Start Up Bonus Credited x withdrawal charge rate applicable to Net Start Up Bonus Credited +
Net Top-up Premium Paid x withdrawal charge rate applicable to Net Top-up Premium Paid,
with these withdrawal charge rates vary according to the duration for which these premium or bonus amounts have been contributed or credited into your Basic Policy.

Since these net amounts used to calculate the withdrawal charge are independent of the performance of your selected investment options, the total amount of withdrawal charge payable upon surrender will be the same regardless of whether you have made an investment loss or gain in your Basic Policy.

Please refer to the sections “**B) Summary of fees and charges**” and “**C) Illustrative examples on fees and charges**” for more information.

Treasure Master Plus is intended for long-term investment. A withdrawal charge up to 7.25% of your Net Single Premium Paid and Net Top-up Premium Paid and 100% of the Net Start Up Bonus Credited is applicable to surrender within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date. The amount payable to you upon surrender may be lower than the premium paid. Poor performance of the underlying funds may further magnify your investment losses.

Death benefit

In the unfortunate event of the death of the life insured while the Basic Policy is in force, we will pay the beneficiary 105% of the Account Value.

For the purpose of calculating the death benefit amount, the Account Value is determined with reference to the Bid Price prevailing on the Next Appropriate Valuation Day following the day on which the proof of death is received by us.

A written notification of the insured’s death using our prescribed form and proof of claim as listed in the policy contract shall be submitted as soon as practicable and to our satisfaction before any payment is made. We will normally pay the proceed of death claim under the Basic Policy within one month after the proof of death is received by us. However, we reserve the right to defer such payments for a period not exceeding 6 months under exceptional circumstances beyond our control including but not limited to the prohibition on transaction of the corresponding underlying fund due to any regulations or occurrence of war or disaster. No interest will be payable by us for any pending payment of the death benefit.

If the Insured, whether sane or insane, commits suicide within one year from the issue date of the Basic Policy, the Basic Policy will be rescinded and our liability under the Basic Policy will be limited to the total premiums of the Single Premium and Top-up Premiums, if any, received (without interest) less:

- (i) any Partial Withdrawals, if any (net of withdrawal charge on the withdrawal amounts); and
- (ii) adjustments based on the loss we may suffer in realising the Units in the Investment Options.

The maximum amount of adjustments that we may make shall not exceed the sum of the Single Premium and Top-up Premiums, if any, allocated to the Account under Basic Policy. You will not be entitled to the gain, if any, in realising the Units in the Investment Options.

You should note that the death benefit is linked to the performance of the underlying funds corresponding to the Investment Options selected and is therefore subject to investment risks and market fluctuations. Poor performance of the underlying funds, as well as partial withdrawals, may reduce the death benefit payable, which may be significantly less than the premiums paid and may not be sufficient for your individual needs.

Maturity benefit

If the Basic Policy remains in force and the insured survives at the policy anniversary immediately following the insured's 80th birthday, the Basic Policy will reach its maturity and we will pay the Account Value as the maturity benefit by cheque normally within one month. Your receipt of such payment will discharge us from any further liability under the Basic Policy. We reserve the right to defer such payment for a period not exceeding 6 months under exceptional circumstances beyond our control including but not limited to prohibition on transaction of the corresponding underlying fund due to any regulations or occurrence of war or disaster. No interest will be payable by us for any pending payment of the maturity benefit.

Termination

Your Basic Policy shall automatically terminate on the occurrence of the earliest of the following:

- (a) the cancellation of your Basic Policy during the cooling-off period as set out in the section "**E) General Information**";
- (b) the maturity of the Basic Policy at the policy anniversary immediately following the insured's 80th birthday;
- (c) the death of the life insured;
- (d) the surrender of your Basic Policy; and
- (e) the Account Value being insufficient to cover the investment portfolio management fee and / or the administration fee and having reduced to zero because of the deduction of such fees when they fall due.

Once your Basic Policy is terminated, all benefits under your Basic Policy will be terminated. **In the event of (d) above, the withdrawal charge will apply within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date and therefore the Surrender Value may be lower than the premium paid. Poor performance of the underlying funds may further magnify your investment losses.**

In the event of (e) above, we will not ask you to pay back any unpaid portion of the investment portfolio management fee and / or the administration fee after the Account Value having reduced to zero because of the deduction of such fees and the Basic Policy being terminated.

Please refer to the section "**B) Summary of fees and charges**" for more information.

B) Summary of fees and charges

AIA reserves the right to vary the policy charges or imposes new charges with not less than one month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

Please talk to your financial planner for a personalised illustration document to understand more about how the fees and charges affect the Surrender Value and death benefit based on your own profile.

Investment-linked assurance scheme level

	Applicable rate	Deduct from																							
Administration fee	<p>1.5% per annum (i.e. $1.5\% \div 12$ per month) of the Net Single Premium Paid and each Net Top-up Premium Paid (if any) within the first 5 years following the Policy Date and each relevant Top-up Premium Date respectively.</p> <p>Please refer to the section "C) Illustrative examples on fees and charges" for examples on the calculation of the administration fee.</p>	Account Value by cancelling Units of Investment Options in proportion to their respective values on the day before each Monthiversary at the Latest Available Bid Price.																							
Investment portfolio management fee	1.0% per annum (i.e. $1.0\% \div 12$ per month) of the Account Value on the day before each Monthiversary until the termination of the Basic Policy.																								
Withdrawal charge	<p>In the event of partial withdrawal or surrender within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date, withdrawal charge is applicable and is calculated as the relevant withdrawal charge rate (as set out in the table below) multiplied by, as the case may be: (i) the Net Single Premium Paid; (ii) the Net Start Up Bonus Credited; and / or (iii) the Net Top-up Premium Paid.</p> <table border="1"> <thead> <tr> <th rowspan="2">Year[#]</th> <th colspan="2">Withdrawal charge rate</th> </tr> <tr> <th>Applicable to Net Single Premium Paid (NSPP) and each Net Top-up Premium Paid (NTUPP) (if any)</th> <th>Applicable to Net Start Up Bonus Credited (NSUBC)</th> </tr> </thead> <tbody> <tr> <td>1st year</td> <td>7.25%</td> <td>100%</td> </tr> <tr> <td>2nd year</td> <td>6.0%</td> <td>80%</td> </tr> <tr> <td>3rd year</td> <td>4.5%</td> <td>60%</td> </tr> <tr> <td>4th year</td> <td>3.0%</td> <td>40%</td> </tr> <tr> <td>5th year</td> <td>1.5%</td> <td>20%</td> </tr> <tr> <td>6th year and thereafter</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>	Year [#]	Withdrawal charge rate		Applicable to Net Single Premium Paid (NSPP) and each Net Top-up Premium Paid (NTUPP) (if any)	Applicable to Net Start Up Bonus Credited (NSUBC)	1st year	7.25%	100%	2nd year	6.0%	80%	3rd year	4.5%	60%	4th year	3.0%	40%	5th year	1.5%	20%	6th year and thereafter	0%	0%	The value of Units of Investment Options cancelled in accordance with your partial withdrawal or surrender request. This means that you will only receive the net amount after deducting the withdrawal charge.
Year [#]	Withdrawal charge rate																								
	Applicable to Net Single Premium Paid (NSPP) and each Net Top-up Premium Paid (NTUPP) (if any)	Applicable to Net Start Up Bonus Credited (NSUBC)																							
1st year	7.25%	100%																							
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4th year	3.0%	40%																							
5th year	1.5%	20%																							
6th year and thereafter	0%	0%																							
<p>[#] For Single Premium and start up bonus, "Year" is counted from the Policy Date. For each Top-up Premium, "Year" is counted from the relevant Top-up Premium Date.</p>																									

	Applicable rate	Deduct from												
<p>Withdrawal charge</p>	<p>(a) <u>For partial withdrawal:</u></p> <p>The withdrawal charge is calculated depending on to what extent the Net Chargeable Amount (NCA) (i.e. withdrawal amount <u>minus</u> Free Partial Withdrawal Amount, subject to a minimum of zero, and to be determined at the time of each partial withdrawal) will hit the respective amounts of the Net Single Premium Paid, the Net Start Up Bonus Credited and the Net Top-up Premium Paid in this sequence and kept by us for your Basic Policy. The amount of withdrawal charge is calculated by multiplying the relevant amounts of the Net Single Premium Paid, the Net Start Up Bonus and the Net Top-up Premium Paid so hit by the relevant withdrawal charge rate as follows (you must note that all of NSPP, NSUBC and NTUPP, etc. in the table below in determining the withdrawal charge needs to be determined at the time of each partial withdrawal):</p> <table border="1" data-bbox="347 952 1099 2096"> <thead> <tr> <th data-bbox="347 952 632 1041">Net Chargeable Amount</th> <th data-bbox="632 952 1099 1041">Withdrawal Charge</th> </tr> </thead> <tbody> <tr> <td data-bbox="347 1041 632 1093">≤ 0</td> <td data-bbox="632 1041 1099 1093">0</td> </tr> <tr> <td data-bbox="347 1093 632 1182">> 0; and ≤ NSPP</td> <td data-bbox="632 1093 1099 1182">NCA x withdrawal charge rate applicable to NSPP</td> </tr> <tr> <td data-bbox="347 1182 632 1400">> NSPP; and ≤ (NSPP + NSUBC)</td> <td data-bbox="632 1182 1099 1400">(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) (NCA - NSPP) x withdrawal charge rate applicable to NSUBC</td> </tr> <tr> <td data-bbox="347 1400 632 1702">> (NSPP + NSUBC); and ≤ (NSPP + NSUBC + NTUPP1)</td> <td data-bbox="632 1400 1099 1702">(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) (NCA - NSPP - NSUBC) x withdrawal charge rate applicable to NTUPP1</td> </tr> <tr> <td data-bbox="347 1702 632 2096">> (NSPP + NSUBC + NTUPP1); and ≤ (NSPP + NSUBC + NTUPP1 + NTUPP2)</td> <td data-bbox="632 1702 1099 2096">(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) NTUPP1 x withdrawal charge rate applicable to NTUPP1 + (iv) (NCA - NSPP - NSUBC - NTUPP1) x withdrawal charge rate applicable to NTUPP2</td> </tr> </tbody> </table>	Net Chargeable Amount	Withdrawal Charge	≤ 0	0	> 0; and ≤ NSPP	NCA x withdrawal charge rate applicable to NSPP	> NSPP; and ≤ (NSPP + NSUBC)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) (NCA - NSPP) x withdrawal charge rate applicable to NSUBC	> (NSPP + NSUBC); and ≤ (NSPP + NSUBC + NTUPP1)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) (NCA - NSPP - NSUBC) x withdrawal charge rate applicable to NTUPP1	> (NSPP + NSUBC + NTUPP1); and ≤ (NSPP + NSUBC + NTUPP1 + NTUPP2)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) NTUPP1 x withdrawal charge rate applicable to NTUPP1 + (iv) (NCA - NSPP - NSUBC - NTUPP1) x withdrawal charge rate applicable to NTUPP2	
Net Chargeable Amount	Withdrawal Charge													
≤ 0	0													
> 0; and ≤ NSPP	NCA x withdrawal charge rate applicable to NSPP													
> NSPP; and ≤ (NSPP + NSUBC)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) (NCA - NSPP) x withdrawal charge rate applicable to NSUBC													
> (NSPP + NSUBC); and ≤ (NSPP + NSUBC + NTUPP1)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) (NCA - NSPP - NSUBC) x withdrawal charge rate applicable to NTUPP1													
> (NSPP + NSUBC + NTUPP1); and ≤ (NSPP + NSUBC + NTUPP1 + NTUPP2)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) NTUPP1 x withdrawal charge rate applicable to NTUPP1 + (iv) (NCA - NSPP - NSUBC - NTUPP1) x withdrawal charge rate applicable to NTUPP2													

	Applicable rate	Deduct from
Withdrawal charge	<p>where:</p> <p>NCA = the Net Chargeable Amount NSPP</p> <p>NSPP = the Net Single Premium Paid</p> <p>NSUBC = the Net Start Up Bonus Credited</p> <p>NTUPP1 = the first Net Top-up Premium Paid</p> <p>NTUPP2 = the second Net Top-up Premium Paid</p> <p>The value of all of which are determined as at the time of each partial withdrawal.</p> <p>For the third and each of the subsequent Net Top-up Premium Paid (if any), the same calculation mechanism as above will continue to apply.</p> <p>Please refer to the sub-section “Determination of withdrawal charge upon partial withdrawal” under section “A) Product features” on page 8 for further information on our methodology for the calculation of the withdrawal charge.</p> <p>(b) <u>For surrender:</u></p> <p>Withdrawal charge is the sum of (i) + (ii) + (iii), where:</p> <p>(i) = Net Single Premium Paid (NSPP) X applicable withdrawal charge rate as set out in the above table;</p> <p>(ii) = Net Start Up Bonus Credited (NSUBC) X applicable withdrawal charge rate as set out in the above table; and</p> <p>(iii) = each Net Top-up Premium Paid (NTUPP) (if any) X applicable withdrawal charge rate as set out in the above table.</p> <p>You should note that the values of NSPP, NSUBC and NTUPP are determined as at the time of surrender. Where there are more than one optional Top-up Premium(s) paid, then (iii) must be calculated in respect of each optional Top-up Premium</p> <p>Please refer to the section “C) Illustrative examples on fees and charges” for more information.</p>	

Underlying funds level

You should note that the underlying funds of the Investment Options may have separate charges on management fee, performance fee, bid-offer spread and / or switching fee. You do not pay these fees directly – the fees will be deducted and such reduction will be reflected in the unit price of the underlying funds. For details, please refer to the investment options brochure of **Treasure Master Plus** and the offering documents of the underlying funds, which are available from AIA upon request.

C) Illustrative examples on fees and charges

The below examples are hypothetical and for illustrative purposes only.

Example 1

1. Policy Date of the **Treasure Master Plus** policy of Mr. Cheung was 15 August 2015. The Single Premium was US\$100,000 and the entitled start up bonus was US\$100 (i.e. US\$100,000 x 0.1%).
2. On 24 October 2017, Mr. Cheung paid a Top-up Premium of US\$50,000.
3. On 14 March 2019, he surrendered his policy with an Account Value of US\$160,000.



Part A) Administration fee

Administration fee of 1.5% per annum (i.e. 1.5% ÷ 12 per month) was applicable to the Net Single Premium Paid and the Net Top-up Premium Paid for 5 years from the Policy Date (i.e. 15 August 2015) and the Top-up Premium Date (i.e. 24 Oct 2017) respectively. The administration fee would be deducted from the Account Value on the day before each Monthiversary.

Administration fee to be deducted monthly for the period between 15 August 2015 and 23 October 2017 (before the Top-up Premium contribution):

$$\begin{aligned}
 &= \text{Net Single Premium Paid} \times 1.5\% \div 12 \\
 &= \text{US\$100,000} \times 1.5\% \div 12 \\
 &= \underline{\text{US\$125 per month}}
 \end{aligned}$$

Administration fee to be deducted monthly for the period between 24 October 2017 and 14 March 2019 (after the Top-up Premium contribution):

$$\begin{aligned}
 &= (\text{Net Single Premium Paid} + \text{Net Top-up Premium Paid}) \times 1.5\% \div 12 \\
 &= (\text{US\$100,000} + \text{US\$50,000}) \times 1.5\% \div 12 \\
 &= \underline{\text{US\$187.50 per month}}
 \end{aligned}$$

Part B) Withdrawal charge

Withdrawal charge is applicable in the event of partial withdrawal and surrender within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date.

On 14 March 2019, Mr. Cheung surrendered his **Treasure Master Plus** policy that had an Account Value of US\$160,000. As the policy was surrendered during the 4th Policy Year, a withdrawal charge would apply.

As no partial withdrawals had been made, these amounts were recorded in Mr. Cheung's policy:

Net Single Premium Paid	US\$100,000
Net Start Up Bonus Credited	US\$100
Net Top-up Premium Paid	US\$50,000

The withdrawal charge would be the sum of (i), (ii) and (iii) below.

- (i) Net Single Premium Paid x applicable withdrawal charge rate for the 4th year from the Policy Date
 = US\$100,000 x 3%
 = US\$3,000

The withdrawal charge rate applicable to the Net Single Premium Paid was determined by the year counted from the Policy Date to the date of surrender (from 15 August 2015 to 14 March 2019), i.e. the 4th year from the Policy Date.

- (ii) Net Start Up Bonus Credited x applicable withdrawal charge rate for the 4th year from the Policy Date
 = US\$100 x 40%
 = US\$40

The withdrawal charge rate applicable to the Net Start Up Bonus Credited was determined by the year counted from the Policy Date to the date of surrender (from 15 August 2015 to 14 March 2019), i.e. the 4th year from the Policy Date.

- (iii) Net Top-up Premium Paid x applicable withdrawal charge rate for the 2nd year from the Top-up Premium Date
 = US\$50,000 x 6%
 = US\$3,000

The withdrawal charge rate applicable to the Net Top-up Premium Paid was determined by the year counted from the Top-up Premium Date to the date of surrender (from 24 October 2017 to 14 March 2019), i.e. the 2nd year from the Top-up Premium Date.

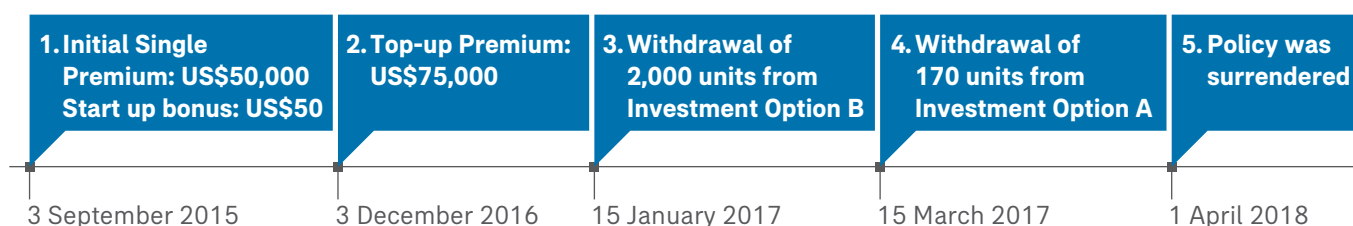
Withdrawal charge = US\$3,000 + US\$40 + US\$3,000 = US\$6,040

The net Surrender Value Mr. Cheung received:

- = Account Value – withdrawal charge
 = US\$160,000 – US\$6,040
 = US\$153,960

Example 2

1. Policy Date of the **Treasure Master Plus** policy of Mr. Wong was 3 September 2015. The Single Premium was US\$50,000 and the entitled start up bonus was US\$50 (i.e. US\$50,000 x 0.1%).
2. On 3 December 2016, Mr. Wong paid a Top-up Premium of US\$75,000.
3. On 15 January 2017, he withdrew 2,000 units from Investment Option B.
4. On 15 March 2017, he made another partial withdrawal of all 170 Units of Investment Option A.
5. On 1 April 2018, he surrendered his policy when its Account Value was US\$25,000.



Part A) Administration fee to be deducted monthly before the partial withdrawal on 15 January 2017:

Administration fee of 1.5% per annum (i.e. 1.5% ÷ 12 per month) was applicable to each premium contribution within the first 5 years following the Policy Date and each relevant Top-up Premium Date respectively. The administration fee would be deducted from the Account Value on the day before each Monthiversary.

Administration fee to be deducted monthly for the period between 3 September 2015 and 2 December 2016 (before the Top-up Premium contribution):

$$\begin{aligned}
 &= \text{Net Single Premium Paid} \times 1.5\% \div 12 \\
 &= \text{US\$50,000} \times 1.5\% \div 12 \\
 &= \underline{\text{US\$62.50 per month}}
 \end{aligned}$$

Administration fee to be deducted monthly for the period between 3 December 2016 and 14 January 2017 (after the Top-up Premium contribution and before the first partial withdrawal):

$$\begin{aligned}
 &= (\text{Net Single Premium Paid} + \text{Net Top-up Premium Paid}) \times 1.5\% \div 12 \\
 &= (\text{US\$50,000} + \text{US\$75,000}) \times 1.5\% \div 12 \\
 &= \underline{\text{US\$156.25 per month}}
 \end{aligned}$$

Part B) Withdrawal charge for partial withdrawal on 15 January 2017

Withdrawal charge is applicable on the Net Chargeable Amount in the event of partial withdrawal and surrender within the first 5 years following the Policy Date and / or each relevant Top-up Premium Date.

1) To calculate the Free Partial Withdrawal Amount:

$$\begin{aligned}
 &\text{Free Partial Withdrawal Amount} = \\
 &\text{Account Value} - (\text{Net Single Premium Paid (if any)} + \text{Net Start Up Bonus Credited (if any)} + \\
 &\text{Net Top-up Premium Paid (if any)})
 \end{aligned}$$



a) Account Value

Three Investment Options, A, B and C were held under Mr. Wong's Account and the number of Units of each Investment Option and the relevant Bid Prices were as follows:

Investment Options	Number of Units	Bid Price on the Next Appropriate Valuation Day immediately following our approval of the partial withdrawal request	Latest Available Bid Price on the date we approved the partial withdrawal request
A	170	US\$50	US\$52
B	2,240	US\$50	US\$51
C	180	US\$50	US\$50

	Investment Options			Account Value (A + B + C)
	A	B	C	
Account Value determined by the Bid Price on the Next Appropriate Valuation Day immediately following our approval of the partial withdrawal request	US\$50 x 170 Units	US\$50 x 2,240 Units	US\$50 x 180 Units	US\$129,500
Account Value determined by the Latest Available Bid Price on the date we approved the partial withdrawal request	US\$52 x 170 Units	US\$51 x 2,240 Units	US\$50 x 180 Units	US\$132,080

The Account Value used to calculate the Free Partial Withdrawal Amount would be US\$132,080 as the Account Value determined by the Latest Available Bid Price on the date we approved the partial withdrawal request was higher.

b) Free Partial Withdrawal Amount

$$\begin{aligned}
 \text{Free Partial Withdrawal Amount} &= \text{Account Value} - (\text{Net Single Premium Paid (if any)} + \text{Net Start Up Bonus Credited (if any)} + \text{Net Top-up Premium Paid (if any)}) \\
 &= \text{US\$132,080} - \text{US\$125,050} \\
 &= \text{US\$7,030}
 \end{aligned}$$

2) To calculate the Net Chargeable Amount:

Net Chargeable Amount:

$$\begin{aligned}
 &= \text{partial withdrawal amount} - \text{Free Partial Withdrawal Amount} \\
 &= \text{US\$100,000 (i.e. Bid Price at US\$50 x 2,000 Units)} - \text{US\$7,030} \\
 &= \underline{\text{US\$92,970}}
 \end{aligned}$$

3) Withdrawal charge:

Referring to the withdrawal charge calculation table in the section **“B) Summary of fees and charges”**:

Net Chargeable Amount	Withdrawal Charge
≤ 0	0
> 0; and ≤ NSPP	NCA x withdrawal charge rate applicable to NSPP
> NSPP; and ≤ (NSPP + NSUBC)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) (NCA - NSPP) x withdrawal charge rate applicable to NSUBC
> (NSPP + NSUBC); and ≤ (NSPP + NSUBC + NTUPP1)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) (NCA - NSPP - NSUBC) x withdrawal charge rate applicable to NTUPP1
> (NSPP + NSUBC + NTUPP1); and ≤ (NSPP + NSUBC + NTUPP1 + NTUPP2)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) NTUPP1 x withdrawal charge rate applicable to NTUPP1 + (iv) (NCA - NSPP - NSUBC - NTUPP1) x withdrawal charge rate applicable to NTUPP2

where:

NCA = the Net Chargeable Amount NSPP

NSPP = the Net Single Premium Paid

NSUBC = the Net Start Up Bonus Credited

NTUPP1 = the first Net Top-up Premium Paid

NTUPP2 = the second Net Top-up Premium Paid

the value of all of which are determined as at the time of each partial withdrawal.

Since the Net Chargeable Amount of US\$92,970 falls within the range between (NSPP + NSUBC, i.e. US\$50,000 + US\$50 = US\$50,050) and (NSPP + NSUBC + NTUPP1, i.e. US\$50,000 + US\$50 + US\$75,000 = US\$125,050), the fifth row of the above table applies and the withdrawal charge would be the sum of (i), (ii) and (iii) below.

- (i) Net Single Premium Paid x withdrawal charge rate applicable to Net Single Premium Paid for the 2nd year from the Policy Date
= US\$50,000 x 6%
= US\$3,000

The withdrawal charge rate applicable to the Net Single Premium Paid was determined by the year counted from the Policy Date to the date of partial withdrawal (from 3 September 2015 to 15 January 2017), i.e. the 2nd year from the Policy Date.

- (ii) Net Start Up Bonus Credited x withdrawal charge rate applicable to the Net Start Up Bonus Credited for the 2nd year from the Policy Date
= US\$50 x 80%
= US\$40

The withdrawal charge rate applicable to the Net Start Up Bonus Credited was determined by the year counted from the Policy Date to the date of partial withdrawal (from 3 September 2015 to 15 January 2017), i.e. the 2nd year from the Policy Date.

(iii) (Net Chargeable Amount – Net Single Premium Paid – Net Start Up Bonus Credited) x withdrawal charge rate applicable to the Net Top-up Premium Paid for the 1st year from the Top-up Premium Date

$$= (\text{US\$}92,970 - \text{US\$}50,000 - \text{US\$}50) \times 7.25\%$$

$$= \text{US\$}42,920 \times 7.25\%$$

$$= \text{US\$}3,111.70$$

The withdrawal charge rate applicable to the Net Top-up Premium Paid was determined by the year counted from the Top-up Premium Date to the date of partial withdrawal (from 3 December 2016 to 15 January 2017), i.e. the 1st year from the Top-up Premium Date.

$$\text{Withdrawal charge} = \text{US\$}3,000 + \text{US\$}40 + \text{US\$}3,111.70 = \text{US\$}6,151.70$$

The net partial withdrawal amount Mr. Wong received:

$$= \text{partial withdrawal amount} - \text{withdrawal charge}$$

$$= \text{US\$}100,000 - \text{US\$}6,151.70$$

$$= \text{US\$}93,848.30$$

Summary of withdrawal charge calculation and changes in Net Single Premium Paid, Net Start Up Bonus Credited and Net Top-up Premium Paid:

	Balance before withdrawal	Amount withdrawn	Respective withdrawal charge	Balance after withdrawal
Free Partial Withdrawal Amount	US\$7,030	US\$7,030	US\$0	US\$0
Net Single Premium Paid	US\$50,000	US\$50,000	US\$3,000	US\$0
Net Start Up Bonus Credited	US\$50	US\$50	US\$40	US\$0
Net Top-up Premium Paid	US\$75,000	US\$42,920	US\$3,111.70	US\$32,080
Total	US\$132,080	US\$100,000	US\$6,151.70	US\$32,080

Part C) Administration fee to be deducted monthly after the partial withdrawal on 15 January 2017:

1) Administration fee applicable to the Net Single Premium Paid:

$$\text{Applicable administration fee} = \text{Net Single Premium Paid} \times \text{administration fee rate}$$

$$= \text{US\$}0 \times 1.5\% \div 12$$

$$= \text{US\$}0 \text{ per month}$$

2) Administration fee applicable to the Net Top-up Premium Paid:

$$\text{Applicable administration fee} = \text{Net Top-Up Premium Paid} \times \text{administration fee rate}$$

$$= \text{US\$}32,080 \times 1.5\% \div 12$$

$$= \text{US\$}40.10 \text{ per month}$$

3) Overall administration fee:

$$= \text{US\$}0 + \text{US\$}40.10 \text{ per month}$$

$$= \underline{\text{US\$}40.10 \text{ per month}}$$

The administration fee was deducted monthly for the first 5 years from the Top-up Premium Date (i.e. 3 December 2016). The administration fee would be adjusted again if there were partial withdrawals or Top-up Premiums in future.

Part D) Withdrawal charge for partial withdrawal on 15 March 2017

Withdrawal charge was only applicable to the withdrawal amount exceeding the Free Partial Withdrawal Amount.

1) To calculate the Free Partial Withdrawal Amount:

$$\text{Free Partial Withdrawal Amount} = \text{Account Value} - (\text{Net Single Premium Paid (if any)} + \text{Net Start Up Bonus Credited (if any)} + \text{Net Top-up Premium Paid (if any)})$$

a) Account Value

Three Investment Options, A, B and C were held under Mr. Wong's Account and the number of Units of each Investment Option and the relevant Bid Prices were as follows:

Investment Options	Number of Units	Bid Price on the Next Appropriate Valuation Day immediately following our approval of the partial withdrawal request	Latest Available Bid Price on the date we approved the partial withdrawal request
A	170	US\$50	US\$51
B	240	US\$48	US\$46
C	180	US\$53	US\$52

	Investment Options			Account Value (A + B + C)
	A	B	C	
Account Value determined by the Bid Price on the Next Appropriate Valuation Day immediately following our approval of the partial withdrawal request	US\$50 x 170 Units	US\$48 x 240 Units	US\$53 x 180 Units	US\$29,560
Account Value determined by the Latest Available Bid Price on the date we approved the partial withdrawal request	US\$51 x 170 Units	US\$46 x 240 Units	US\$52 x 180 Units	US\$29,070

The Account Value used to calculate the Free Partial Withdrawal Amount would be US\$29,560 as the Account Value determined by the Bid Price on the Next Appropriate Valuation Day immediately following our approval of the partial withdrawal request was higher.

b) Free Partial Withdrawal Amount

$$\begin{aligned} \text{Free Partial Withdrawal Amount} &= \text{Account Value} - (\text{Net Single Premium Paid (if any)} + \text{Net Start Up Bonus Credited (if any)} + \text{Net Top-up Premium Paid (if any)}) \\ &= \text{US\$29,560} - (\text{US\$0} + \text{US\$0} + \text{US\$32,080}) \\ &= \text{US\$0} \text{ (since the Free Partial Withdrawal Amount is subject to a minimum of zero)} \end{aligned}$$

2) To calculate the Net Chargeable Amount:

Net Chargeable Amount:

$$\begin{aligned} &= \text{partial withdrawal amount} - \text{Free Partial Withdrawal Amount} \\ &= \text{US\$8,500 (i.e. Bid Price at US\$50 x 170 Units)} - \text{US\$0} \\ &= \underline{\text{US\$8,500}} \end{aligned}$$

3) Withdrawal charge:

Referring to the withdrawal charge calculation table in the section “**B) Summary of fees and charges**”:

Net Chargeable Amount	Withdrawal Charge
≤ 0	0
> 0 ; and \leq NSPP	NCA x withdrawal charge rate applicable to NSPP
$>$ NSPP; and \leq (NSPP + NSUBC)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) (NCA - NSPP) x withdrawal charge rate applicable to NSUBC
$>$ (NSPP + NSUBC); and \leq (NSPP + NSUBC + NTUPP1)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) (NCA - NSPP - NSUBC) x withdrawal charge rate applicable to NTUPP1
$>$ (NSPP + NSUBC + NTUPP1); and \leq (NSPP + NSUBC + NTUPP1 + NTUPP2)	(i) NSPP x withdrawal charge rate applicable to NSPP + (ii) NSUBC x withdrawal charge rate applicable to NSUBC + (iii) NTUPP1 x withdrawal charge rate applicable to NTUPP1 + (iv) (NCA - NSPP - NSUBC - NTUPP1) x withdrawal charge rate applicable to NTUPP2

where:

NCA = the Net Chargeable Amount NSPP

NSPP = the Net Single Premium Paid

NSUBC = the Net Start Up Bonus Credited

NTUPP1 = the first Net Top-up Premium Paid

NTUPP2 = the second Net Top-up Premium Paid

the value of all of which are determined as at the time of each partial withdrawal.

Since the Net Chargeable Amount of US\$8,500 falls within the range between (NSPP + NSUBC, i.e. US\$0 + US\$0 = US\$0) and (NSPP + NSUBC + NTUPP1, i.e. US\$0 + US\$0 + US\$32,080 = US\$32,080), the fifth row of the above table applies and the withdrawal charge would be the sum of (i), (ii) and (iii).

- (i) Net Single Premium Paid x withdrawal charge rate applicable to Net Single Premium Paid for the 2nd year from the Policy Date
= US\$0 x 6%
= US\$0

The withdrawal charge rate applicable to the Net Single Premium Paid was determined by the year counted from the Policy Date to the date of partial withdrawal (from 3 September 2015 to 15 March 2017), i.e. the 2nd year from the Policy Date.

- (ii) Net Start Up Bonus Credited x withdrawal charge rate applicable to the Net Start Up Bonus for the 2nd year from the Policy Date
= US\$0 x 80%
= US\$0

The withdrawal charge rate applicable to the Net Start Up Bonus Credited was determined by the year counted from the Policy Date to the date of partial withdrawal (from 3 September 2015 to 15 March 2017), i.e. the 2nd year from the Policy Date.

(iii) (Net Chargeable Amount – Net Single Premium Paid – Net Start Up Bonus Credited) x withdrawal charge rate applicable to the Net Top-up Premium Paid for the 1st year from the Top-up Premium Date

$$= (\text{US\$}8,500 - \text{US\$}0 - \text{US\$}0) \times 7.25\%$$

$$= \text{US\$}8,500 \times 7.25\%$$

$$= \text{US\$}616.25$$

The withdrawal charge rate applicable to the Net Top-up Premium Paid was determined by the year counted from the Top-up Premium Date to the date of partial withdrawal (from 3 December 2016 to 15 March 2017), i.e. the 1st year from the Top-up Premium Date.

$$\text{Withdrawal charge} = \text{US\$}0 + \text{US\$}0 + \text{US\$}616.25 = \text{US\$}616.25$$

The net partial withdrawal amount Mr. Wong received:

$$= \text{partial withdrawal amount} - \text{withdrawal charge}$$

$$= \text{US\$}8,500 - \text{US\$}616.25$$

$$= \text{US\$}7,883.75$$

Summary of withdrawal charge calculation and changes in Net Single Premium Paid, Net Start Up Bonus Credited and Net Top-up Premium Paid:

	Balance before withdrawal	Amount withdrawn	Respective withdrawal charge	Balance after withdrawal
Free Partial Withdrawal Amount	US\$0	US\$0	US\$0	US\$0
Net Single Premium Paid	US\$0	US\$0	US\$0	US\$0
Net Start Up Bonus Credited	US\$0	US\$0	US\$0	US\$0
Net Top-up Premium Paid	US\$32,080	US\$8,500	US\$616.25	US\$23,580
Total	US\$32,080	US\$8,500	US\$616.25	US\$23,580

Part E) Administration fee to be deducted monthly after the partial withdrawal on 15 March 2017:

1) Administration fee applicable to the Net Single Premium Paid:

$$\text{Applicable administration fee} = \text{Net Single Premium Paid} \times \text{administration fee rate}$$

$$= \text{US\$}0 \times 1.5\% \div 12$$

$$= \text{US\$}0 \text{ per month}$$

2) Administration fee applicable to the Net Top-up Premium Paid:

$$\text{Applicable administration fee} = \text{Net Top-Up Premium Paid} \times \text{administration fee rate}$$

$$= \text{US\$}23,580 \times 1.5\% \div 12$$

$$= \text{US\$}29.48 \text{ per month}$$

3) Overall administration fee:

$$= \text{US\$}0 + \text{US\$}29.48 \text{ per month}$$

$$= \underline{\text{US\$}29.48 \text{ per month}}$$

The administration fee was deducted monthly for the first 5 years from the Top-up Premium Date (i.e. 3 December 2016). The administration fee would be adjusted again if there were partial withdrawals or Top-up Premiums in future.

Part F) Surrender

The withdrawal charge would be the sum of (i), (ii) and (iii) below.

- (i) Net Single Premium Paid x applicable withdrawal charge rate for the 3rd year from the Policy Date
 = US\$0 x 4.5%
 = US\$0

The withdrawal charge rate applicable to the Net Single Premium Paid was determined by the year counted from the Policy Date to the date of surrender (from 3 September 2015 to 1 April 2018), i.e. the 3rd year from the Policy Date.

- (ii) Net Start Up Bonus Credited x applicable withdrawal charge rate for the 3rd year from the Policy Date
 = US\$0 x 60%
 = US\$0

The withdrawal charge rate applicable to the Net Start Up Bonus Credited was determined by the year counted from the Policy Date to the date of surrender (from 3 September 2015 to 1 April 2018), i.e. the 3rd year from the Policy Date.

- (iii) Net Top-up Premium Paid x applicable withdrawal charge rate for the 2nd year from the Top-up Premium Date
 = US\$23,580 x 6%
 = US\$1,414.80

The withdrawal charge rate applicable to the Net Top-up Premium Paid was determined by the year counted from the Top-up Premium Date to the date of surrender (from 3 December 2016 to 1 April 2018), i.e. the 2nd year from the Top-up Premium Date.

Withdrawal charge = US\$0 + US\$0 + US\$1,414.80 = US\$1,414.80

The net Surrender Value Mr. Wong received:

- = Account Value – withdrawal charge
 = US\$25,000 – US\$1,414.80
 = US\$23,585.20

D) Investment Options information

What you are investing in is an investment linked insurance policy. We will invest the premium received from you into the underlying funds corresponding to the Investment Options as selected by you for our asset liability management. **The premium you paid towards *Treasure Master Plus* will become part of the assets of AIA. You do not have any rights or ownership over any of those assets. Your recourse is against AIA only. You are not investing in the underlying funds. The Units allocated to your Account are notional and are solely for the purpose of determining the Account Value and benefits under your Basic Policy. Your Account Value and investment return are not guaranteed.**

Please refer to the investment options brochure of *Treasure Master Plus* and the offering documents of the underlying funds which are available at www.aia.com.hk for more information.

Investment Options

We have made a number of Investment Options available to ***Treasure Master Plus***. Please refer to the investment options brochure of ***Treasure Master Plus*** for more information.

The investment returns of your Basic Policy may be subject to foreign exchange risks as some of the underlying funds may be denominated in a currency which is different from that of your Basic Policy.

We will allocate your premium (after deducting all applicable charges) in one or a combination of Investment Options in accordance with your instructions in terms of percentages. For your allocation instruction:

- (i) the percentage allocated to each selected Investment Option must be in integer and at least 10% in each selected Investment Option; and
- (ii) the total of all your premium allocation percentages must be 100%; and
- (iii) you may choose up to 10 Investment Options.

Units of an Investment Option to be allocated to your Account will be calculated at the Offer Price prevailing at the Next Appropriate Valuation Day after receipt of your premium contribution. The Offer Price is equal to the offer price of the corresponding underlying fund.

Units of an Investment Option to be cancelled from your Account upon partial withdrawal, Investment Option switching or termination of the Basic Policy will be calculated at the Bid Price. The Bid Price will be the same as the bid price of the corresponding underlying fund.

At present, the underlying funds of all our Investment Options do not have bid and offer spreads or the spreads have been waived. In these cases, the Bid Price and the Offer Price of an Investment Option are the same.

For the latest information on the Offer Price and the Bid Price, please refer to aia.com.hk. You may also obtain the Bid Price and the Offer Price of an Investment Option on a certain Valuation Day from us through your financial planner.

Investment Options switching

You may switch the Units in the Investment Options held in your Account, provided that the switched amount is at least US\$100 per transaction. We will cancel the Units in the Investment Options you wish to switch out of and allocate Units in other Investment Options according to your instructions. The cancellation of Units will take place at the Bid Price of the respective Investment Options prevailing on the Next Appropriate Valuation Day following our approval of your request. The allocation of Units will take place at the Offer Price of the respective Investment Options prevailing on the Next Appropriate Valuation Day after completion of the corresponding cancellation of Units. There is no switching fee.

If the Investment Option of which Units are cancelled from your Account is denominated in a currency different from the base currency of your Basic Policy (i.e. US Dollars), we will convert the proceeds from the cancelled Units into the base currency of your Basic Policy. If the alternative Investment Option of which Units are to be allocated to your Account is denominated in a currency different from the base currency of your Basic Policy, we will further convert the proceeds denominated in the base currency into the denominated currency of the alternative Investment Option in order to determine the number of Units of the alternative Investment Option to be allocated to your Account. Currency conversion will be conducted at an exchange rate as determined by us in good faith and commercially reasonable manner with reference to the prevailing market exchange rates from time to time. Please refer to the aia.com.hk for the prevailing exchange rates. Please note that these currency conversions will be subject to exchange rate risks.

Subject to our absolute discretion in good faith and commercially reasonable manner, we may exercise methods of Investment Option switching other than those prescribed above which in our opinion are more efficient or cost-effective. For example, we may offer direct value switching if the switching in Investment Option is denominated in the same currency as the switching out Investment Option even if their denominating currency is different from the base currency of your Basic Policy.

Please refer to section **“Investment Options administration”** of the investment options brochure for more information.

Rounding of Units and unit prices

The number of the Units to be allocated to or cancelled from the Account is rounded to the nearest four decimal places. The Bid Price and the Offer Price are rounded to the nearest four decimal places. Any remaining balance after such rounding will be absorbed by AIA.

Changes of underlying funds

Where for any reason:

- (i) the unit price of any of the underlying funds cannot be ascertained, or any of the underlying funds become closed to further investment, is wound up or otherwise terminated; or
- (ii) the investment policy or objective of any underlying fund is changed,

We will give you written notice of at least one month (or such other shorter period in compliance with the relevant regulatory requirements) prior to such cessation, closure, winding-up, termination or change of investment objective.

Dividend of underlying funds

Dividend may be distributed by us through (1) re-investing the dividend amount in the form of additional Units into the Investment Option of the underlying fund or (2) paying out the dividend amount in cash if the Investment Option (Cash Distribution) is selected.

You will be notified of the dividend distribution(s) in the quarterly statement following distribution of such dividend.

(i) Investment Options

If dividend is declared and becomes payable in respect of an underlying fund of an Investment Option and that your Basic Policy is still in force, we will re-invest the dividend amount in the form of additional Units into the Investment Option of the underlying fund in respect of which the dividend is declared. Should this means of distribution not be feasible, we will pay the dividend to you by cheque.

(ii) Investment Options (Cash Distribution)

If dividend is declared and becomes payable in respect of an underlying fund of an Investment Option (Cash Distribution) and that your Basic Policy is still in force, we will pay out the dividend amount in Hong Kong Dollars by autopay or other payment methods offered by AIA at the time of payment. Please refer to the sub-section **“Investment Options (Cash Distribution) – applicable to Treasure Master Plus only”** under the section **“Investment Options administration”** of the investment options brochure for more information.

Effective from 1 January 2018, all policyholders are required to pay a levy on each premium payment made for both new and in-force Hong Kong policies to the Insurance Authority (IA). For levy details, please visit our website at www.aia.com.hk/useful-information-ia-en or IA's website at www.ia.org.hk.

E) General information

Currency of your benefits payment

Since the base currency of your Basic Policy is US dollar, the payment of death benefits, partial withdrawal and surrender will also be in US dollars. You may request for the benefits to be paid in HK dollars. The exchange rate used is based on an exchange rate as determined by us in good faith and commercially reasonable manner with reference to the prevailing market exchange rates from time to time. Please refer to aia.com.hk for the prevailing exchange rates.

Cooling-off period

Cooling-off period is a period during which life insurance policyholders may cancel their policies and get back their original investments and levy ((1) subject to market value adjustment and then (2) deduction of dividend paid to you from the relevant Investment Option(s) (Cash Distribution) (if any)) within the earlier of 21 days after the delivery of the policy or issue of a notice to you or your representative. Such notice should inform you of the availability of the policy and expiry date of the cooling-off period. Please refer to the cooling-off initiative issued by The Hong Kong Federation of Insurers from time to time for reference.

To exercise this right, you shall give us a written notice which shall be signed by you and received directly by us at the 12th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong, or such other address as may be notified in writing by us to you from time to time. You may get back the amount you paid, or less if the value of the Investment Options chosen has gone down.

If you cancel your Basic Policy within the first 5 Policy Years but not within the cooling-off period, a withdrawal charge of up to 7.25% of your premium contributions and 100% of the start up bonus will be charged.

Policy ownership and assignment

While your Basic Policy is in force, you may change the ownership of your Basic Policy by filing a written notice on the Company's prescribed form. Any change of ownership of the Basic Policy shall be conditional upon the satisfaction of customer due diligence, applicable requirements under Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and other applicable guidelines, and any such change will not be effective until such change is evidenced by an endorsement issued by us. You may also assign your right to the benefits under your Basic Policy by filing a written notice on the Company's prescribed form.

No Third Party Rights

Treasure Master Plus policy is excluded from the application of The Contracts (Rights of Third Parties) Ordinance (Chapter 623) ("the Ordinance"). Accordingly, other than AIA and the policyholder, a person who is not a party to the policy (e.g. a third party beneficiary) shall have no right under the Ordinance to enforce any of the terms of the policy.

Investment restrictions and borrowing powers

Treasure Master Plus does not provide for policy loans and has no borrowing powers. For details of the investment restrictions and borrowing powers of the underlying funds, please refer to the offering documents of the respective underlying funds.

Taxation

The levels and bases of taxation that apply to any benefits payable from **Treasure Master Plus** will depend on the status of the individual receiving the benefits and will be subject to any changes in relevant tax legislations. You are advised to seek professional advice regarding your own tax circumstances and liability before investing in **Treasure Master Plus**.

Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act (“FATCA”), a foreign financial institution (“FFI”) is required to report to the U.S. Internal Revenue Service (“IRS”) certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not enter into or does not comply with the requirements of an agreement it has entered into with the IRS in respect of FATCA and / or who is not otherwise exempt from doing so (referred to as a “nonparticipating FFI”) face a 30% withholding tax (“FATCA Withholding Tax”) on all “withholdable payments” (as defined under FATCA) derived from U.S. sources (initially including dividend, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement (“IGA”) to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to the Company and this ILAS Policy. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company certain information including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc); and
- (ii) consent to the Company reporting this information and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a “Non-Compliant Accountholder”), the Company is required to report “aggregate information” of account balances, payment amounts and number of non-consenting US accounts to IRS.

The Company could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, your ILAS Policy. Currently the only circumstances in which the Company may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your ILAS Policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your ILAS Policy and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or your ILAS Policy.

The Automatic Exchange of Information (“AEOI”)

From 2018 Hong Kong will start exchanging financial account information with other jurisdictions, thereby enabling them to know taxpayers who place their assets abroad. This is the result of a G20-led initiative carried out by the Organisation for Economic Cooperation and Development. The world is getting global so tax authorities go global.

Under AEOI, banks and other financial institutions collect and report to the tax authority information in relation to financial accounts held by residents of reportable jurisdictions. The Inland Revenue Department (the “IRD”) exchanges this information with the foreign tax authorities of those residents of reportable jurisdictions (i.e. jurisdictions with which Hong Kong has signed the competent authority agreement). In parallel, the IRD receives financial account information on Hong Kong residents from foreign tax authorities.

AIA must comply with the following requirements of the Inland Revenue Ordinance to facilitate the IRD automatically exchanging certain financial account information as provided for thereunder:

- (i) to identify certain accounts as reportable accounts* ;
- (ii) to identify the jurisdiction(s) in which reportable account* holding individuals and entities reside for tax purposes;
- (iii) to determine the status of certain reportable account* holding entities as “passive non-financial entities” and identify the jurisdiction(s) in which their “controlling persons” reside for tax purposes;
- (iv) to collect certain information on reportable accounts* (“Required Information”); and
- (v) to furnish certain Required Information to the IRD (collectively, the “AEOI requirements”).

You shall agree to comply with requests made by AIA to comply with the AEOI requirements; otherwise your application for this ILAS policy will not be processed.

* “Reportable Account” has the meaning ascribed to it under the Inland Revenue Ordinance (Cap.112)

Governing law and jurisdiction

Treasure Master Plus is governed by and shall be construed in accordance with the laws of the Hong Kong Special Administrative Region and the parties involved have the right to bring legal action in a Hong Kong court as well as in any court elsewhere which has a relevant connection with the Basic Policy.

Illustration document

Your financial planner will provide you with a personalised illustration document, which mainly demonstrates how fees and charges affect the Surrender Value and the death benefit based on hypothetical returns on investment as specified in the illustration document.

Responsibility

AIA accepts full responsibility for the accuracy of the information contained in the offering documents and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

The information given in the offering documents is not designed to address your particular situation. Please also refer to the policy contract for detailed terms and conditions. You are advised to seek professional advice for your own circumstances.

Treasure Master Plus is authorised by the Securities and Futures Commission (SFC). SFC authorisation does not imply official recommendation or endorsement of **Treasure Master Plus** nor does it guarantee the commercial merits of **Treasure Master Plus** or its performance. It does not mean **Treasure Master Plus** is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The SFC does not take any responsibility for the contents of the offering documents of **Treasure Master Plus**, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the offering documents of **Treasure Master Plus**.

AIA is subject to the prudential regulation of the Insurance Authority.

Customer enquiries and complaints

For any enquiries and complaints, please contact us by calling AIA Customer Hotline at 2232 8888 or visit our AIA Wealth Select Centre in person during opening hours (as stated on page 2). You can also send your enquiries and complaints to us by mail at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong.

F) Glossary

Unless the context otherwise requires, the following definitions apply to **Treasure Master Plus**:

“Account” means the account that the Company establishes and maintains for you under the Basic Policy which shall be notionally allocated with Units in accordance with the allocation instructions for determination of the Account Value.

“Account Value” means the total value of all Investment Options under the Basic Policy. The value of each Investment Option equals the number of Units of the Investment Options multiplied by the Bid Price of the Investment Option on the relevant Valuation Day.

“Average Account Value” means the sum of the Account Value based on the Latest Available Bid Price at each Monthiversary over the previous 60 months divided by 60.

“Basic Policy” means the contract of policy, including the schedule of fees and charges, as may be amended by endorsement from time to time.

“Bid Price” means the price per Unit of an Investment Option at which the Units are redeemed from your Account by us on the Valuation Day as determined in accordance with the provisions of the Basic Policy, and is equal to the bid price of the corresponding underlying fund.

“Cut-Off Time” means the point in time as published by us from time to time on each business day in Hong Kong by which transaction requests must be received. Any transaction request received by us after the Cut-Off Time of a business day in Hong Kong will be deemed as received before the Cut-Off Time of the next business day.

“Free Partial Withdrawal Amount” means the amount of the Account Value exceeding the sum of any Net Single Premium Paid, Net Start Up Bonus Credited and all Net Top-up Premium Paid(s) to which withdrawal charge is not applicable and is subject to a minimum of zero.

“Investment Options” or **“Investment Options (Cash Distribution)”** are a range of investment choices available for your selection under **Treasure Master Plus** issued by AIA and are set out in the investment options brochure. They are available only via investment in **Treasure Master Plus** and are not available for direct purchase. Each Investment Option or Investment Option (Cash Distribution) will feed into one underlying fund as specified in the investment options brochure. References to “Investment Option” and “Investment Option (Cash Distribution)” shall have the same meaning, except for the treatment of dividend payment in respect of the relevant underlying fund as refer to the section “D) Investment Options information” under the sub-section “Dividend of underlying funds”.

“Latest Available Bid Price” means the most recent historical Bid Price of an Investment Option available on a particular day which is used to determine the value of the Investment Option.

“Monthiversary” means the same day of each subsequent month as the Policy Date. If there is no corresponding date in the month such as 29th, 30th or 31st, then the Monthiversary will be the last date of such month.

“Net Chargeable Amount” means, with respect to each partial withdrawal, the withdrawal amount exceeding the Free Partial Withdrawal Amount and is subject to a minimum of zero.

“Net Single Premium Paid” is an amount equal to:

- (a) the Single Premium paid minus
- (b) the sum of all Net Chargeable Amounts for each partial withdrawal previously made.

This amount is subject to a minimum of zero.

“Net Start Up Bonus Credited” is an amount equal to:

- (a) the start up bonus credited minus
- (b) subject to a minimum of zero, the sum of all Net Chargeable Amounts for each partial withdrawal previously made minus the Single Premium paid.

This amount is subject to a minimum of zero.

“Net Top-up Premium Paid” is an amount equal to:

- (a) the Top-up Premium paid minus
- (b) subject to a minimum of zero, the sum of all Net Chargeable Amounts for each partial withdrawal previously made minus
 - (i) the Single Premium paid and
 - (ii) the start up bonus credited and
 - (iii) if one or more Top-up Premium(s) were previously made, all other optional Top-up Premium(s) previously paid.

This amount is subject to a minimum of zero.

“Next Appropriate Valuation Day” means the Valuation Day that is subject to the dealing and valuation practices of the underlying funds and our time to process the transaction request. We normally process the transaction requests received by us at or before the Cut-Off time on the following business day in Hong Kong.

“Offer Price” means the price per Unit of an Investment Option at which Units are notionally allocated to your Account by us on the Valuation Day as determined in accordance with the provisions of the Basic Policy, and is equal to the offer price of the corresponding underlying fund.

“Policy Date” is the date by which Monthiversary, policy anniversary and Policy Year are determined and shown on the Policy Information Page as the “Policy Date” or, where amended, the date shown on an endorsement to the Basic Policy (if any). It shall be the same as the application date of your Basic Policy with the exception that if the application date is on 29th, 30th or 31st of any month, the 1st day of the following month will be used as the Policy Date.

“Policy Information Page” means the schedule headed “Policy Information Page” issued with your Basic Policy.

“Policy Year” means each 12-month period starting from the Policy Date.

“SFC” means the Securities and Futures Commission of Hong Kong.

“Single Premium” means the amount of initial premium contribution made for the Basic Policy, which is shown on the Policy Information Page.

“Surrender Value” means an amount or value which is equal to the Account Value less any applicable withdrawal charge upon Surrender.

“Top-up Premium” means the optional unscheduled premium which you pay to the Company at any time while the Basic Policy is in force.

“Top-up Premium Date” means the date on which the Top-up Premium is received by us.

“Unit” or **“Units”** means a unit or collectively units of the Investment Options or Investment Options (Cash Distribution). The Unit(s) allocated to your Account is notional and is solely for the purpose of determining the Account Value and benefits under your Basic Policy.

“Valuation Day” means, in relation to an underlying fund, the date on which assets of that underlying fund are valued, as determined by the fund manager of that underlying fund from time to time.

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